DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 2,1947

It is very unfortunate that we do not get the export figures on wheat and flour promptly the way we did before the war, because after all, this is about the most important factor right now in determining price levels. As near as we can tell shipments since last July to the first of January were about 145 million bu, including flour, and on that basis we might export 300 million bu for the entire season, although it is rather unusual to ship as much the last half as during the first six months of the crop-year. In any casethe government is making strenuous effort to get as much wheat and flour to the seaboard as is physically possible. From all reports that are coming in from Europe, the situation there remains very dire. This is ordinarily the season of the year when Southern Hemisphere shipments start playing a more important role, but as we have mentioned before Australia raised a poor crop and will not have too much to spare, while in the Argentine a good deal of wheat has been contracted for early shipment to Spain and to Brazil. In the meantime the flour inquiry continues active not only from Europe, but from the Americas and from Mexico, but in most cases mills are unable to offer much for export earlier than March.

Weather over the New Year's holiday was entirely satisfactory. A good many snows were reported in various parts of the country, including the Southwest, and these must be very beneficial as a protection, particularly since low temperatures are often reported in January and up to now the ground Southwest was very poorly covered. For example, it is snowing hard at Hastings, Nebraska, as well as Falls City, and the same is true in Kansas, extending out to the west portion, becoming lighter in the eastern part of Coloardo. Wichita Falls had 5 1/2 inches snow; so on the whole it makes a very optimistic picture on top of previous moisture experienced. We would say at this time that the outlook is marvelous. This is being confirmed not only by the government report which was recently issued, but also by other authorities, such as the Santa Fe Railway, and those who have been watching conditions for many years past. In spite of all this, wheat futures were only moderately weak after the opening, but this was probably due to the fact that corn advanced very sharply, particularly the January delivery, and we believe that the CCC was again in the market possibly anticipating February allocations. They have purchased about 11 million bu cash corn up to the present time, and while this quantity is rather small in comparison with the 3-billion-bu crop, nevertheless, one must admit that most of these purchases are coming largely from terminal stocks. Therefore, it looms rather high in comparison with the primary movement. In any case, the nearby delivery gained on the more deferred months, and possibly it is figured that with snows rather general in Illinois and in the corn belt it may temporarily slow up the movement.

30 March 1983

Canada is not doing too good a job with respect to her wheat export program. Since August 1st only 87 1/2 million bu wheat has cleared. On this basis and allowing for 175 million home usage, there is still 226 million bu available for shipment and next carryover.

Primary receipts of wheat amounted to 1,503,000 bu compared with 1,428,000 bu last week, and only 766,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 173,000 bu.

From recent figures published the government apparently is buying wheat in Kansas City and in other southwestern markets, although the quantities are not particularly large, but yet we understand at Kansas City they would still be willing to accept offerings at $1.88 per bu for shipment next May. This seems to be a sustaining influence, at least to the extent that it prevents much weakness. It also refers to the July future, which otherwise might have been quite weak in view of the fine moisture conditions, and the additional snows being reported. We had a message from Amarillo that snow seems to be quite general over the wheat territory in the Texas Panhandle, ranging from 3 to 6 inches, and there is no blowing or drifting, with the fields well covered.

Considering the strength in January corn there was very little feature to oats; in fact, the market acted a little draggy, even though there are no accumulations of importance taking place anywhere.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 3, 1947

With Congress convening it is considered likely that tax reductions will come up for consideration before other matters. There has been a great deal of comment as to what the Republicans may do with respect to agriculture. Everyone knows that the 90% of parity loans are dangerous if continued too long, as it would finally be nothing more than a second Farm Board, with accumulations piling up at home. For the time being it does not appear to be particularly pressing, insofar as wheat is concerned, for the reason that foreign demand is about as acute as we have ever known it. Right now flour could be sold not only to Europe, to the Americas, and to Mexico, but probably to Asia as well, if transportation were not such an important item. This, however, may not continue to be the case for the full two years in which legislation is effective. Much, of course, will depend on the outcome of European crops next summer. Personally, we have doubted for some time whether the Congress in passing the Steagall Amendment had really intended to maintain agricultural prices for two full years after hostilities had ended. We believe that when the matter was first discussed in Washington, it was more or less the intention to keep prices up for a fair period of time after war was over, but actually even with the President now relaxing on some wartime powers, we shall still have until December 31, 1948 before the loan program on basic commodities comes to an end, unless Congress sees fit to make a change. In view of the fact that parity now is higher than at any time in history, it suggests that when the wheat loan is established next June, it will likewise be at a higher value than ever before. If this is correct and large quantities are impounded, even the tremendous crop in prospect may bring high prices for the reason that farmers know by now that they do not have to sell and possibly this is the cause of July wheat narrowing somewhat its discount under the May future. Even at the present level of 14 1/2¢ under May, it represents a wide difference, and should it continue to do so, domestic consumers may postpone their purchases until after the new crop moves. Thus we are inclined to believe that May wheat might finally lose much of its premium, particularly if the wheat carryover next July is around 200 million bu, which seems likely, despite heavy shipments that are now taking place.

When our market opened it was influenced by further fine moisture in the form of snow, including southwestern districts, and we would say that practically all winter wheat states now are fully protected and should not suffer from cold weather, which has already set in in some localities and is due shortly in others. January corn which had displayed considerable strength yesterday was also in demand this morning, and cash premiums are being fully maintained, so that there is no likelihood of immediate deliveries. On the other hand the car situation is still bad, and while some improvement is noted, anyone taking delivery would probably have to wait a considerable period before being able to ship corn East. Oat receipts were extremely light, but this apparently had little influence on the market. Hogs, however, were active, and quoted from $2 to $3 higher in various markets due to small arrivals.

Primary receipts of wheat were small today and amounted to only 855,000 bu compared with 1,168,000 bu last week and 726,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 238,000 bu. We expect a smaller shrinkage in the visible supply on Monday than we had last year. At that time it decreased nearly 5 million bu.

There was not much evidence of further export business in corn, but still with the cash market very strong, January gained again on the deferred months, but the later deliveries were quite indifferent. Wheat was firm and advanced readily on small buying orders. Trade was not particularly heavy but it is felt that so long as government buying continues, sharp recessions are unlikely.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 6, 1947

According to figures released, exports from this country of all grains and grain products for the first six months of this crop-year have been given as 177 million bu. While we do not have the amount of wheat contained in this, it might be reasonable to assume that it was around 150 million bu. A year ago during the same period we exported 202 million bu. The last half of the season ending June 30, 1946, our wheat exports were 189 million, but at the same time we were feeding wheat very heavily in this country. During that period it amounted to 147 million bu and totaled 313 million for the entire season. Thus from exports and feeding our disappearance was 336 million bu from January 1 to June 30, 1946, and this year it is most logical that it will be less.

While exports of wheat and flour for the four principal export countries during the 1945-46 season totaled 23 1/2 million tons, or 875 million bu, and 28 million tons when all grains are included, they have, for the first six months of this season, shipped only about 11 million tons. If we are to supply an equal amount during the season to deficit countries, larger shipments will have to be made from now on. The United States and Canada have cleared about 7 million tons of wheat and flour the first half of this season, as compared with 11.3 million in a similar period last year, and during the entire season 20.5 million tons were exported.

It is a little too early to come to definite conclusions, but if the December rate of 43 million bu exports of all grains are maintained from the United States for the next six months, a further 258 million bu would be shipped. By far the larger share of this will be wheat and flour; it seems under these conditions that at least the 300 million bu previously estimated by the USDA would be reached, and may even be surpassed. Taking that as a basis and also their estimates of domestic consumption of 510 million for food, 180 million for feed, 2 million for industrial uses, and 82 million for seed, we would figure a carryover of 180 million bu. However, our large winter wheat acreage may have taken more seed, and if our exports exceed this figure, our carryover would be modified accordingly. In several days, the government report will give us a check-up of grains on farms, and before the end of the month, a new accounting of stocks in all positions. Then we will know the disappearance so far this year, and can make a more accurate forecast of the carryover next June.

President Truman's message was delivered to Congress this morning. While we have not seen the full text, understand he asked for a permanent farm welfare program before wartime measures end, although no specific proposals apparently were offered.

The weather has moderated over the entire grain belt. We have a comment from Oklahoma that the cold spell, following a good coverage of snow. was considered very beneficial, particularly as it might have stamped out some bug infestation. Otherwise, there was no grain news over the weekend. The market is looking a good deal toward the government for continual support. Naturally if they keep the cash market tight no radical change at the present will be in order, even though prospects remain extremely favorable for the new crop.

Primary receipts of wheat today were 1,105,000 bu compared with 1,528,000 bu last week, and 1,354,000 bu comparable day of last year. When the visible was posted wheat showed a decrease of 2,848,000 bu, and now totals 44,151,000 bu or 38 million bu less than a year ago. The corn visible increased 476,000 bu. Chicago stocks of wheat for the week increased 476,000 bu, to a total of 24,143,000 bu. Chicago stocks of wheat for the week increased 113,000 bu, and now total 930,000 bu. Corn stocks increased 161,000 bu, and total 4,879,000 bu.

Carlot receipts in the Southwest were considerably lighter than a year ago, but this can be partially accounted for by the recent snows and cold weather, and also the fact that there was a rush the latter part of December in order to take advantage of lower freight rates prior to January 1st.

The cash basis in Kansas City was a little firmer, and there has been evidence of a better milling inquiry. Cash wheat in Minneapolis was reported 4 to 5¢ higher. Chicago corn basis was somewhat lower on spot.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

January 7, 1947.

According to the present law of the land, this government is committed for 1947 and 1948 to a support program for basic agricultural commodities of 90% of parity on grains and 92 1/2% on cotton. President Truman, in his STATE OF THE NATION message to Congress, mentions that in the next few years American agriculture can face the same dangers it did after World War I. He calls upon the nation to use the two years of support programs provided by law to develop markets for our great productive power. All those who are intimate with the handling of agricultural products fully realize the dangers to free enterprise of a continuation of a support program at such high levels of prices. No one wants to see a debacle in farm products, but we have repeatedly suggested in these letters that support prices should be used as a floor at 60 to 65% of parity to prevent unduly low prices, but should not be used to peg markets at artificially high prices, which would encourage overproduction and discourage importers. If we are going to have a sound program the price must be mutually acceptable to both buyers and sellers. The continuation of a 90% program prevents the proper functioning of markets, the proper expression of prices, and leads to government restriction of acreages and other programs, which were so obnoxious to many producers during the 30's. We have experimented in this country with crop control, with digging up crops, with ever-normal granaries, with support by the Farm Board, and all were leading us to disastrous consequences. During one of these periods the government program was bailed out by the severe drought and later by the outbreak of the war.

Representative Pace of Georgia has introduced a bill making permanent the government's current price program for five basic agricultural commodities, including cotton. He wants a permanent 90% support price and also the inclusion in parity computation of farm labor costs. We are thoroughly convinced that such a program would lead to dire consequences, a loss of export markets, and a terrific drain on the taxpayers of this country. This must be recognized by many producers, as Quentin Reynolds, President of the National Council of Farmers Cooperatives, stated yesterday at the annual meeting of that organization: "The American competitive enterprise system cannot endure with a peacetime agriculture requiring government grants and aid to keep farmers' heads above water." He further stated that the government supports should be limited to a program that would prevent the bottom from falling out of farm values through developments beyond farmers' control. It is our opinion that a program which would again lead to the impounding of vast quantities of wheat and other grains would make it extremely difficult for the machinery of the grain trade to function and would break down the machinery of the futures market, which during the period covering almost 100 years has served the farmer well, and has relieved the producer of a great many of the risks which would be incurred in marketing a great portion of his crop, which is not consumed until many months after harvest. The grain trade, if left to its own resources, is well equipped to take care of any expanding trade if the policy of "freedom from want" is to be implemented.

Futures in the three pits were lower, and under pressure a good part of the day, although some of this we believe is of local professional character. However, this is in spite of a slightly higher corn basis and very strong oats premiums in the spot market, as well as a 4 1/2¢ advance in the price that the CCC paid for wheat in the Southwest for delivery in one week. The CCC has not made a general rise in price, as they have only paid higher for this early position, and not for a later delivery. The new official committee appointed to expedite exports believe they can step them up above the 1,100,000 tons shipped in December, but cannot meet the 1 1/2 million tons hoped for in January.

Primary receipts today of wheat were 1,364,000 bu compared with 1,373,000 bu last week, and 1,494,000 bu last year. So far this week Kansas City and Minneapolis stocks show a total decrease of 49,479 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 8, 1947.

Food conditions in Britain remain acute , and Broomhall has advised us that in order to encourage English farmers to deliver their wheat more promptly, the government has raised prices. Here, again, is tacit admission that the laws of supply and demand are functioning. Here a country is offering farmers a bonus over the fixed price for wheat in order to get immediate deliveries to market. Britain has always been sympathetic to the difficulties of grain producers, although lately has been trying to make bilateral agreements with various countries in order to buy as cheaply as possible. Mr. Strachey recently justified payment of relatively low prices for Danish dairy products by contending that he would receive censure of the House if he had followed any policy other than that of buying in the cheapest market. Broomhall points out that, "On expense account alone, the grain trade has an unchallengeable case. Through the open market, merchants were able to bring wheat to our shores at negligible cost to the country and, what is just as important, the supply never failed, nor was bread rationing ever necessary."

Here at home it is causing speculation as to what our own agricultural policies may be. Senator Capper of Kansas is slated to head the Senate Agricultural Committee. We have read a good many editorials in various papers of the country. According to the Billings, Montana, Gazette. the Senator announced a backing of farm production controls under the government price support program if needed to prevent unsalable surpluses. Again from the Paterson, New Jersey, Call, Mr. Capper points out that the taxpayer has a very proper voice in the ultimate extent to which his government should continue to keep up the price of farm products. For such high price assurances may eventually result in such bulging surpluses that the major part of it will have to be unloaded in other lands at heavy loss to our government, a loss that will come out of the taxpayer's pocket. Furthermore, if the American price is kept so high for so long a time that foreign farm products can eventually be imported at a much lower price, the American farmers is bound to wind up the loser."

Before our market opened this morning, there was very little news except that bearish sentiment had developed yesterday owing to the weakness in all pits. However, in trying to analyze it, we came to the conclusion that cash markets in wheat were generally firm with the exception of the Northwest. Even there the reactions were only natural after many days of advance. The milling business continues at top speed, and government buying is still a factor; therefore, we do not believe that there is going to be sustained weakness at this time. We do, however, feel that a very considerable part of the long interest in wheat futures is for the account of merchants and elevator concerns, which have sold cash wheat for deferred shipment. Consequently, as they make purchases in the country or in the various terminals these futures commitments will undoubtedly be sold, and possibly a good portion will be liquidated between now and next May. This means that new buyers or else shorts will have to absorb the selling, and in view of the fact that present prices are quite high, there does not seem to be any urgent demand at present levels. This explains rather sharp declines, such as we had yesterday, despite other bullish factors to which we have referred so often in our letters. It was claimed in flour circles that for the first time in many weeks domestic business in the Southwest overshadowed export sales, and that the southwestern mills last week sold an average of 40% of their capacity, which compared with 48% a year ago.

Primary receipts of wheat were not too small for this season of the year, and amounted to 846,000 bu; a week ago was a holiday, and a year ago they amounted to 710,000 bu. Kansas City and Minneapolis stocks so far this week show a total decrease of about 100,000 bu.

The wheat market was not firm, despite the fact that CCC bought 775,000 bu wheat yesterday through its Kansas City office, and 1,820,00 bu corn. They seem to be cleaning up all available stocks in the Southwest and made purchases as far north as Hutchinson. However, Northwest the government is not supporting the market, and cash wheat prices were again 2 to 3¢ down following yesterday's break. Yet prices are still quite high on basis of the futures.

Corn was very firm, and we believe that every time it gets close to the loan level, there is some speculative support plus the fact that cash interests were also buyers today of the January delivery.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 9, 1947.

According to the Department of Agriculture, the world's food reserves at the beginning of 1947 are slightly larger than a year ago. Also, fewer countries are critically short of food, but still there are a considerable number of countries with insufficient food supplies in sight to last them until next harvest. This is the reason that our export program is being maintained at present capacity, and we understand that PMA is accepting all offers that were made by mills yesterday for January, February, and March shipment. In addition to the wheat that is being shipped from these shores, we are also increasing our corn business, and it is considered likely that about a third of the February allocations have been covered by now. Corn prices are low relative to the price of most other feeds, but the Bureau of Agricultural Economics points out that because of large supplies, corn prices will probably continue low at least through the spring, although some seasonal rises are likely. This likewise, they say, may be strengthened by the purchases of corn for export. It is rather surprising that our hog population is not larger because of the continued favorable feeding ratios that prevail, but possibly farmers are not too confident that hog values will remain at present levels, and this is about the only explanation that we can offer. In any event, the marketings of corn from the 1946 crop probably will be the largest on record. Farm sales of corn in the north central region, which usually account for about 85% of the total sales, are expected to be about one-third larger than the 525 million bu sold a year ago. The movement of new corn to market up to middle of December was apparently larger than in any of the past three years, but smaller than in 1941 and 1942.

On the other side of the picture is the loan, and as we have remarked recently, every time prices get within a few cents of that level, there apparently is more support. Only a small quantity has been impounded up to now, but officials are of the opinion that the quantities finally placed under the loan will exceed any of the past four years. About 230 million bu was placed under the loan in 1938-39, and 302 million bu in 1939-40, but it is not likely that the figures will run that high during the present crop-year.

There was very little to guide our markets at the opening except that apparently a little mill buying caused wheat prices to stage a rally following yesterday's closing break. Offerings were not particularly heavy, and there is so little wheat here in Chicago that it is surprising that our May future remains comparatively low in relation to both Kansas City and Minneapolis.

In Europe the supply and distribution of food products is most unsatisfactory in Germany,Austria, Italy, and Rumania. The severe summer drought so reduced the corn crop in Rumania that many peasants are almost wholly dependent on outside sources for food. In other Danubian countries where conditions are better, food production is still too short to permit much aid to be extended to the suffering nations. Therefore, the task of supplying these needs falls mostly on North America, with some little help from Southern Hemisphere countries. Even in countries, such as Finland, Poland, Hungary, Spain and Portugal, where conditions are not as bad as elsewhere, the non-farm population isexisting on about 2,000 calories on an average, which is scarcely higher than last year, and consumption of that type is insufficient to maintain a population year after year, not to speak of rehabilitating lost body weight that occurred during the war, and which handicaps people in their normal working ability.

Primary receipts of wheat amounted to 1,092,000 bu compared with 1,503,000 bu last week, and 923,000 bu last year. Kansas City and Minneapolis so far this week show a total decrease of 203,000 bu.

There was nothing very significant in today's trade. Corn was firm, and there was some buying that appeared to be against cash business, but the leading industry apparently pulled out of the market, undoubtedly having satisfied immediate requirements, and this had some influence on price levels, also bookings were large. Wheat was rather firm at times but there was some profit taking, and best prices did not hold. However, the March delivery gained on May, and likewise there was considerable strength in January, indicating that with light receipts here in Chicago, demand is sufficiently urgent to maintain big premiums for the nearby months. July wheat was rather indifferent, but, of course, crop prospects remain elegant.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 10, 1947.

Today is the calendar date for selling wheat, and it is not mere superstition that certain periods present better opportunities for selling and for buying than others. Ordinarily at this time, Southern Hemisphere crops would be competing heavily with North American shipments for export. Likewise many mills might be closed for inventories, and we often run into a period of declines which last until about February 22nd, at which period crop scares start to make themselves felt. However, everything is so different from normal years that one has to be more than ordinarily cautious. For example, November 28th was the time when presumably wheat could be purchased, and the day before Thanksgiving, which was the closest to that date, disclosed that May wheat was selling at $1.94 3/4. Therefore, anybody who had relied on the calendar would have made very little money. As a matter of fact, the week immediately following Thanksgiving was a rather gloomy one for longs, as at that time the Secretary of Agriculture claimed that there had been enough wheat bought together with the flour still to be procured to take care of all foreign commitments until next harvest. The result was that neither longs nor shorts can boast very much of having made headway during this whole period of uncertainty. We looked up some figures this morning to find that May wheat a month ago was selling at about the same price as it sold today, and it was actually 1¢ per bu lower than three months ago.

We have had all kinds of government buying in the interim. Likewise, foreign business has been on a tremendous scale, and we have shipped to the limit of our capacity; only the car shortage prevented larger clearances. This morning the CCC is bidding $2.07 for wheat in store at Kansas City. This is 7¢ a bu higher than they were paying several weeks ago. The government likewise is an active buyer of flour, and PMA is now paying 10¢ per hundred above prices paid around the year-end. In other words, the government took everything that was offered in booking several lots ranging up to 100,000 cwt. There is some Cuban business involved, or at least it may develop soon, while Mexico also is in the market for a large quantity of flour for shipment from January through March. Under these circumstances it is not likely that we shall have any sharp set-backs, but by the same token it can be seen that it took this unusual demand to keep prices from declining during the past few months.

After the close of the market today, we shall have a government report on farm reserves. Expectations are that the figures will be somewhat bearish on corn but possibly a little bullish on wheat, as a great deal moved from farms during November and December, despite the car shortage.

President Truman in his budget message asked for $1,800 million for an agricultural support program in the next fiscal year. In his message to the Congress, he pointed out that even with continued prosperity the government expected to lose $330 million in an effort to prevent serious declines. But the estimate also included buying and selling operations dealing in perishable products, such as eggs and potatoes. In addition to this amount earmarked in the budget, CCC is preparing to lend as much as $1,500 million to keep farm prices up to 90% of parity.

Primary receipts of wheat amounted to 1,159,000 bu. This compared with 855,000 bu last week and 801,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 313,000 bu. The visible supply will undoubtedly show a shrinkage next Monday, but certainly less than last year when the decrease amounted to 5 3/4 million bu.

Trade in all pits was comparatively light, and there is not much disposition to take on big commitments, but, nevertheless, when cotton prices eased and the stock market lost ground, there was some selling of wheat, while coarse grains had been independently weak due to the fact that bookings of corn were heavy, and apparently the country was a willing seller. Even oats declined rather freely, and it is generally felt that the supply of feed grains will be more than ample to take care of the number of animals on farms. However, July corn selling so close to the loan does not appear inviting to us as a short sale.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 13, 1947

At the end of last week Washington officials resorted to urgent measures in an effort to get a greater amount of wheat, flour, and grain into exporting channels. It was even suggested that unless the milling industry cooperated voluntarily with the government, wartime restrictions might be reimposed in order to secure heavier flour deliveries. Spokesmen for the Department of Agriculture said that it was imperative to meet foreign commitments, and while the government was reluctant in using extreme measures, they might have to resort again to "set-asides" for export licensing. In any case, such an ambitious program is beginning to make itself felt more and more, and the nearby positions of wheat are very strongly held, so that it seems to be impossible to get enough grain moved from the country to overcome this situation. We have not heard any official figures, but areled to believe that CCC may have bought 2 million bu wheat last Saturday in the Hutchinson, Kansas district, and, of course, if they continue such tactics, they will soon bail out whatever surpluses there are in various parts of the country, except, of course, the farm reserves, which are still about as large as last year, taking the country as a whole. This is not too poor a record in view of the fact that the crop and carryover this season was about 133 million bu smaller than the year earlier. The situation in Europe with respect to food is so critical that foreign advices tell of many countries where the daily caloric measure averages only 1,100 to 1,500 compared with the United States average of 3,300 per day. Although UNRRA is officially dead, unexpended funds of the agency, amounting roughly to one-fourth of its total operations of $600 million, remain to be completed. Funds and benefits are to be shifted according to the urgency of need rather than conforming to over-all allocations to countries as previously handled. Even assuming tremendous exports of grain and grain products, the shift from Lend-Lease and UNRRA to a cash basis will undoubtedly mean less buying of cotton, fruits, and vegetables.

There was nothing special in the overnight news. Weather seems satisfactory, and there has been light to moderate snowfall in many of the Northwestern States and portions of Iowa. In Illinois and Indiana light rains occurred, but there seems to be no real cold in sight for the winter wheat areas, and from all we hear the crop continues to remain in good condition. Later on, of course, there will be crop scares, and if any changes take place they are bound to be for the worse rather than expecting improvement with the condition already so high.

In Canada with total supplies of wheat of 488 million bu last August, they have really done an extremely poor job in their export endeavors. There is still available for export and next carryover in the remaining thirty weeks 220 million bu, allowing for fairly large home consumption. In the Argentine wheat and flour shipments continue on a low level. During the past week only 845,000 bu wheat and flour was shipped, but only 349,000 bu was destined for Europe. The Australian crop is now officially estimated at 120 million bu, which compared with 144 million bu last year, and the failure-crop of 52.8 million bu two yearsago , which was almost a complete failure. The five-year average, 1934-38, inclusive, was 154.3 million bu.

Primary receipts of wheat amounted to 2,258,000 bu, which was quite large; this compared with 1,115,000 bu last week, and 1,817,000 bu last year. When the visible supply was posted, there was a decrease of 3 1/2 million bu, and the total has been reduced to 40.6 million bu, which is 36 million bu less than last year. Corn increased 799,000 bu to a total of about 25 million bu, but it was rather surprising to see a decrease of 322,000 bu here in Chicago, despite a fairly liberal movement. It seems rather difficult to build up supplies at a time when ordinarily we have accumulations. While there is a further delay in the government's allocations, still it is felt that the quantities are going to be large whenever they are announced.

Corn was rather firm, and the same is true of wheat, although best prices for the latter were not maintained. It seems that because of high prices it is not too easy to get much enthusiasm on the constructive side of the market, but on the other hand, there is little pressure to sell either. Chicago wheat stocks decreased 190,000 bu, leaving only 740,000 bu here in this market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 14, 1947

About the only news overnight was the announcement of February allocations by the government, indicating exports of 30 million bu wheat and flour, and 16 million bu all other grains, or a total of 46 million bu for the month. While this had been more or less expected, it nevertheless is further evidence that our government is straining every effort to get as much grain out of the country as is humanly possible. As far as we could learn, there was no change in the price at Kansas City, with CCC still bidding $2.07 per bu in that market, but they raised the Galveston price 1 1/2¢ and are now paying $2.22 1/2 per bu. It seems that if they want to buy these large quantities, it is hardly likely that they can reduce prices, and in fact it is altogether possible that further increases may take place. Under these circumstances nobody is selling very much to the government because he figures that the basis will probably improve, and by waiting he has every advantage. Thus there seems to be nothing very bearish in the situation, although, peculiarly enough, the futures market is not reflecting too much apprehension over scarcity, and as a matter of fact even assuming that the maximum quantities are shipped from this country, we shall probably still have a larger carryover in wheat than a year ago. Of course, our population is now much larger than it was twenty years ago, and at that time when the Farm Board first came into being, we used to figure that a normal reserve stock of wheat on July 1st was about 120 million bu. However, now with more people to feed, more elevator capacity, and greater ability to grind we are always taking some chance when we let the carryover sink to too low a level, even granting that prospects for the next crop are very good, which is presently the case.

Despite the great need for grain and foodstuffs in Britain, and the fact that they have been urgently requesting larger allocations in this country, farmers in England are under very stringent government regulations, and we now find that agriculture has been socialized to such an extent that every man is told what he may raise and what is not permitted. The first case under the new law to be prosecuted was that of a farmer from Spalding, Lincolnshire. We get this information reliably from Searle Grain Co., Ltd., at Winnipeg, which claims that Mr. Ralph Bishop was sent to prison for four months, and fined $6,000 for sowing 6 acres of a certain crop more than the government regulations permitted. These people comment as follows: "One can only wonder how long the sturdy independent British farmers will submit to having their complete operations controlled and dictated by bureaucrats. What a birthright of hard-won liberty, freedom and independence these British farmers have forfeited for a 'mess of pottage' of temporary price security!"

Primary receipts of wheat were quite large, and amounted to 2,094,000 bu compared with 1,364,000 bu last week and 1,142,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 108,000 bu.

Statistics are not counting for very much; as a matter of fact, it is rather difficult to have strong convictions when everything depends on the continuation of government buying. Today, for example, when futures were strong, cash wheat premiums in the Southwest declined, and at Kansas City, were as much as 1 1/2¢ lower for the day.

Corn and oats were quite strong early, but January corn came under pressure, as it is figured there will be some deliveries--probably #3 yellow corn in this market, and with cars short, there is no certainty that those taking tenders will be able to make shipment East of here. We understand that the corn for February allocations of about 13 million bu will be handled by the government, and that the private trade will not participate in the sales. This is rather disappointing as the grain trade has really made some very great sacrifices to help the government export program, and is really entitled to more consideration.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 15, 1947.

We believe that if we were not quite so close to the grain situation we would be inclined to be quite bearish owing to the fact that this was the largest wheat crop ever produced. Although the carryover reserve was smaller than normal, total supplies at the beginning of the season were still far above average, so that there should, under ordinary circumstances, be more than enough for exports and still leave plenty for domestic consumption and next carryover. However, every morning when we come down, we find that some other foreign claimant is pressing for wheat, flour, sorghums, or other grain, and today word came from Washington that six steamers that had been destined to the occupied area of Germany were diverted to Italy in order to quell food riots and starvation. Thus, it can be seen that the present demand is not merely with the intent of reducing our surplus before another large crop, but rather to satisfy actual needs in Europe. The February allocations of 1.2 million long tons are the largest scheduled for any month since the beginning of the 1946-47 season. Adding the unshipped balance of grain and flour from preceding months, total exports may amount to 1.5 million tons at the accelerated rate of recent loadings and exports. Meanwhile clearances for the month of January are expected to be 1.5 million tons, or approximately 300,000 tons more than the revised estimates of shipments made last December.

However, from a grain point of view it must be recognized that all the announced January to March flour included in these figures for the major exporting countries has already been purchased by claimants. Unfortunately, all wheat scheduled under February allocations with the exception of some small quantities going to Mexico and other Western Hemisphere countries is going to be supplied by PMA. Likewise, all corn and barley will be supplied by PMA. This leaves only grain sorghums to be handled through private enterprise. Considering that the elevator concerns are making very little on storage, and that the tremendous foreign business has created an inverse carrying charge, we believe that some consideration should be given to the warehousemen and merchandisers who should be doing the foreign business, which they have always conducted so efficiently in the past. These people have sacrificed during the war, and since, and are now making it possible for the grain to be hauled to the seaboard, but there is hardly any profit in the business, and we see no reason why the shipments cannot be handled through commercial procurement as it always was.

The government weekly weather and crop report confirmed that milder weather accompanied by rain in many areas had caused snow to disappear, especially from the main wheat belt. However, reports indicate that the severe cold weather during the preceding week caused little or no permanent injury to the winter wheat plant, however, but suffered freeze damage in parts of Oklahoma and Texas.

Broomhall , reporting for The Argentine, states that weather conditions during December were generally unfavorable for small grain crops, which were nearing maturity and that the quality and yield of wheat was being adversely affected by excessive rains, hail and windstorms. He places the crop at 218,300,000 bu which compares with the pre-war average of 225 million bu. The corn is developing under more favorable conditions.

Primary receipts of wheat today totaled 856,000 bu as compared with 846,000 bu a week ago and 743,000 bu on the comparable day of last year. So far this week, Kansas City and Minneapolis stocks show a decrease of 125,486 bu.

There was no change in the CCC prices for wheat in Kansas City, or basis Galveston. There was less aggressiveness shown in our pit this morning, also some evidence of hedging sales, and the close was lower than last night. Carlot receipts of corn in Chicago today were 285, and 159,000 bu. received by barge. There was some fresh corn tendered against January contracts and it would also look as though some of the tenders of yesterday had not found a resting place. The cash basis was about 1¢ to 1 1/2¢ over January.

There is nothing particularly new in oats. Receipts were modest and stocks everywhere remain rather light.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 16, 1947.

While we do not yet have the official figures on farm income for 1946, we feel certain that when they are published they will be tremendous; farmers' cash receipts derived by cumulating the current monthly estimates run about $24 billion for the twelve-month period. This is 16% greater than 1945. Receipts from livestock and products were about $13.4 billion, or 14% greater than last year, while crop receipts were about 10.7 billion, which was 18% greater. Thus agriculture is probably in about the best position ever known, even granting that costs are higher, and that wages to farm help have risen.

Before our markets opened this morning, word came from Washington that Secretary Anderson had called for reductions in crop goals for next summer. In view of the fact that the winter wheat crop promises to yield better than ever before, the Secretary has asked spring wheat farmers to cut plantings by about a million acres from the preliminary goal set last November. He has also asked for a reduction in corn acreage of about 750,000 acres, and a smaller reduction for barley, amounting to 516,000 acres. This caught the trade rather by surprise, because they have been hearing nothing lately except the tremendous export goal, which means that every available bushel will be pushed into export channels. It had previously been stated that large yields for 1947 would be desirable in view of the uncertainties abroad, but apparently more consideration is being given now to price levels, and this was construed bearish by the trade. Inother words, a good many traders concluded that if the government had to cut acreage goals it was one of the first signs of apprehension that we might suddenly be faced with unmanageable surpluses. Of course, one must be realistic in viewing these factors, because acreage goals are rather vague, and experience has taught us that high prices and reductions of acreage are a contradiction. Even if the planted area should be cut by one million acres, it would mean only a reduction of 15 to 20 million bu; so actually it is not too important.

Meanwhile, the sales of flour abroad are as large as the grinding capacity warrants. Millers are making satisfactory profits on their business, while in grain the government has practically a monopoly and is probably making much more on its operations than the grain trade used to make, even when there were heavy expenses in doing business. However, private enterprise, by which we mean the elevator concerns and the merchandisers who ordinarily conduct this foreign business, are suffering very materially. While having a hand in seeing to it that the grain is delivered safely to the seaboard in order to expedite shipments, there is virtually no money in this business. Yet the expenses continue, as well as the necessity of filing reports and data "ad infinitum" to conform with government requirements.

Primary receipts of wheat amounted to 1,413,000 bu compared with 1,092,000 bu last week, and 1,105,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 204,000 bu.

Markets were all rather weak early influenced by various considerations. The stock market started lower, cotton had quite a break, and then, of course, we mentioned the fact that Secretary Anderson's plea for acreage reduction created the impression that surpluses will be with us before long. July wheat, which at one time broke 4¢ per bu, had a good recovery, but still closed at a very sharp discount under the other futures, and in our opinion is cheap based on the probable loan, figuring that parity will not decline much between now and next July. There was likewise liquidation of corn futures, and of oats futures. In corn, the declines were not too drastic; in fact, some buying apparently for consumptive account, so that the close was about unchanged and actually higher for January.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 17, 1947.

The last government crop report had to do mainly with stocks of grain and hay on farms, making comparisons with previous quarters, but there was also some very useful data contained therein, which up to now has been generally overlooked, but, nevertheless, it is extremely important. The Department of Agriculture maintains that, "Mid-winter conditions affecting 1947 crop prospects are fully as promising throughout the country as those preceding any of the recent record crop years. Fall and early winter conditions have been favorable. Harvesting of 1946 crops was completed early, for the most part, so that fields could be prepared for more extensive fall seedings, and for spring planting. Soil moisture is generally adequate. Seeds of all kinds are in ample supply and of good quality. Commercial fertilizers will be available in quantities more nearly approaching demands. New farm machines have been moving to farms in increasing numbers. In addition to these factors, farm products continue in strong demand."

Despite some fear that surpluses will be with us again next year and that the Department of Agriculture is anticipating this by asking farmers to reduce acreages, one cannot forget that the demands being made upon this country are still tremendous. Part of this is due to the small exports from Canada and to the fact that shipments from Southern Hemisphere have likewise been small during the last six months. Sanford Evans tells us that wheat and flour exports from the four principal exporting countries from August 1st to January 4th amounted to 264 million bu compared with 404 million bu the season before. Thus it is not surprising that we are able to sell all the wheat and flour that can be carried to the seaboard.

The grain trade is still greatly handicapped because of the fact that the government is so late in publishing official figures on clearances, but as near as we can judge, in the twenty-eight weeks of the crop-year about 153 million bu wheat and flour has left these shores. Their program is extremely ambitious, and we do not recall any time in history that during the latter part of the crop-year monthly shipments of grain have run from 40 to 50 million bu, which is the plan at the present time. Under these circumstances, it does not suggest that declines will be far-reaching, although with wheat close to the $2 mark, there does not seem to be much bullish enthusiasm. This probably explains the apathy of speculative buyers. Canada, which started her crop-year with total supplies of 488.6 million bu, has shipped less than 100 million bu in twenty-three weeks, and there is still available for export and next carryover about 215 million bu during the remaining twenty-nine weeks of the crop-year.

Primary receipts of wheat amounted to 1,609,000 bu compared with 1,159,000 bu last week, and 937,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 285,000 bu. When the visible supply is posted we expect a fairly large shrinkage, but not as much as last year when there was a decrease of 4 3/4 million bu.

After mid-session markets became extremely nervous due to the fact that the regional office of the CCC at Kansas City disclosed that it would accept all wheat offered until noon tomorrow, intimating that they did not know what their policy would be after that time. This led to a belief that the agency might not guarantee to take additional wheat; in fact, it was hinted that they were now in comfortable shape. Everyone has known for some time that they had forced prices higher by their ambitious program, also compelling mills to compete in acquiring wheat to be ground both for domestic and export uses. What policy we shall have from now on is difficult to tell, but it is quite apparent that since the government support has been one of the important factors that a cautious attitude must be observed until we know more about the future. It seems rather difficult for us to believe that having engaged in a program of buying 40 to 50 million bu of grain for January and February that they are suddenly going to throttle it down to just a mere pittance. Nevertheless, there has been a great deal of nervousness created, and the trade will watch for further clarification. The break in wheat naturally affected other grains, even corn, which for a time was very strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

[illegible] COMPANY

[illegible] government crop report had to do [illegible]

[illegible] has been generally overlooked, but, nevertheless, it is ex- [illegible] Department of Agriculture [illegible] that [illegible] affecting 1947 [illegible] country as those [illegible] and early [illegible] of 1946 crops was [illegible] could be prepared for more [illegible] in ample supply and [illegible] available in quantities [illegible] have been moving [illegible] to these factors, [illegible]

[illegible] will [illegible] of Agriculture [illegible] acreage, [illegible] market [illegible] are still [illegible] to the growers.

[illegible] is still [illegible] late in [illegible] as we can judge, in the [illegible] time. [illegible]

[illegible]

[illegible] 937,000 [illegible] last year [illegible] supply is potent, we expect [illegible] last year when there was a [illegible]

[illegible] have been bought [illegible] policy would be [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 20, 1947.

It is quite apparent that grain markets have not been responding merely to supply and demand factors during recent years, and we believe that we are still in the throes of political domination for sometime to come. Therefore, it is necessary to study remarks, speeches, and policies of the various people who are going to frame many of the agricultural plans for the next few years. One of these parties is Representative Hope of Kansas, and in reading some of his thoughts and philosophies, we conclude that his objective in agriculture is for abundant production rather than a policy of scarcity and controls. On the other hand he is mindful of the fact that we have to have foreign markets for our surpluses in the years ahead, and he recognizes that our general tariff and trade policies will largely determine what we can do on agricultural exports. A few days ago he stated that his Committee would investigate the entire agricultural picture later on in the year, and very shortly hearings will open on the question of production limits. He feels that it will be necessary to limit the production of certain commodities if we are going to continue our policy of support prices.

When our market opened this morning, naturally everyone was eager to learn what the CCC had done with respect to the buying program. The purchases Friday and Saturday had been enormous, and, of course, with the fear that there might be a drastic reduction in CCC price basis, the country sold heavily, possibly worried that for a time support might be withdrawn completely. Just a few minutes before the opening today an announcement was received here that they had cut prices at Kansas City by 2¢ per bu, or $2.05 for ordinary #1 hard wheat. This was for delivery by February 20th, whereas previously they were paying $2.07 per bu for February 10th. They also changed their protein scale by reducing the basis to some extent. A corresponding change was made on Gulf prices to $2.20 1/2, which likewise was a cut of 2¢. The trade figured that in reality this was only a change of about 1¢ per bu, because of the difference in delivery, but in any case first prices in the pit were somewhat lower, although selling was quickly absorbed, and apparently the new program will continue to be one of support. It is our guess that if they buy large quantities at present levels, they may step out of the market again, as they did Saturday, possibly to inaugurate further reductions. However, the demands from Europe are heavy, and in our opinion will remain so.

Britain and France are both short wheat, and are preoccupied with increasing the marketings of homegrown wheat. British millers, for example, are now permitted to use up to 50% sprouted wheat in their grind, and farmers have been asked to thresh wheat even at the expense of barley, oats, and rye. In France, where an additional import quota was not obtained, bread rationing in cities is now entirely dependent on the home wheat marketings, which have fallen off sharply since the premium payments were discontinued. As a result the black market continues to flourish, and this is true in France not only for wheat, but for meats, dairy products, and for animal feed of all sorts. Thus there is an obvious temptation to feed wheat on farms instead of marketing at the official price. Many people argue and believe that this could be remedied quickly if prices became uncontrolled, so that normal factors would again prevail. A very similar situation exists in Italy, and surely granting premiums to farmers represents a first step in restoring the economic function of price.

The visible supply of wheat decreased 3 1/2 million bu. It seems not much attention is paid to statistics now. However, the Argentine government raised the estimate of the wheat crop to 221 million bu, an increase of about 3 million. This compares with 143 million last year, and would leave about 115 million bu for export.

Markets generally were quite firm. Coarse grains really never weakened even at the start when wheat declined. In any case, the urgent pressure to sell wheat seems to be over for the time being, and we must bear in mind that about 25 million bu cash grain was sold to the government last week, and the chances are that from now on country offerings will be on a much lighter scale. July wheat gained a shade on the May future and we still regard it as too cheap, both comparatively and also based on the probable loan level. Some cold weather is in sight, but we do not believe this had much to do with today's firmness.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

January 21, 1947

Cold weather had been predicted for today, and it materialized, but it was confined mainly to the Mid-West and primarily to the section around the Great Lakes, but did not penetrate southwestern areas where the mercury stood at 10 to 15 degrees. Therefore, even with little snow covering the present cold snap is not regarded as likely to do any harm.

The trade had become a little encouraged yesterday when the CCC re-entered the market in the Southwest and was willing to buy wheat again at slight concessions, but whatever temporary satisfaction had been gained was quickly lost this morning when the government stepped out of the Chicago market, claiming that no additional purchases would be made until further notice. This in itself was hardly a factor for the reason that not much grain has been acquired in this district, but soon after rumors were flying that another change was contemplated in the Southwest. We learned right after the opening of the market that any further offers made by the trade at Kansas City would have to be submitted to Washington before a final decision was reached. It was also stated that further information might be forthcoming before the end of the day, but up to this writing we have not found out anything definite. It is our opinion, however, that with the general decline in commodity values, the government has suddenly learned that they were the main prop in upholding wheat at present levels. In other words, if they had permitted the price at Kansas City yesterday to recede 10¢ per bu, the chances are that the market would finally have settled there, for the reason that there is no shortage of supplies, except as created by this vast buying for overseas shipment. Even these large quantities in our opinion could be accumulated if the CCC had been less aggressive.

We have felt right along that they purposely took the initiative, probably because they wanted high prices, and were perfectly satisfied to lend this support in connection with the foreign buying. Now, of course, high prices are no longer popular. There is consumer-resistance everywhere. Even entertainers in cabarets are complaining that because of the 20% luxury tax, they are being driven out of business. In luxury items, such as whiskey, sales have dropped off tremendously, and while we do not class foodstuffs in the same category, nevertheless, we have learned from experience that high prices generally curtail consumption. It is quite surprising that Europe has been able to absorb as much grain in view of the financial chaos on the other side, but, of course, a part of this business at least has been made possible through extension of credit. It is naturally difficult for a speculator to adapt himself to these sudden changes with political markets bringing about sharp fluctuations. However, it has been evident for some time that not much bullish enthusiasm could be aroused with wheat prices at the $2 level, and bearish sentiment was restrained only because of parity loans and government support. Even now with the latter probably on the wane, there is still not too much pressure exerted for the reason that nobody can be entirely sure when the government will re-enter the market, as they are very apt to do if there should be any real signs of weakness.

Primary receipts of wheat amounted to 1,633,000 bu compared with 2,094,000 bu last week and 884,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 26,317 bu.

Our markets became reasonably weak, especially wheat, after it became known that less aggressive action by CCC might be expected for the next few weeks, particularly since this has been the main reason for buying by traders and for holding by producers. July wheat, which has been relatively the weakest, showed firmness in today's trade, probably because of the fact that it represents a price below the probable loan next summer, and in spite of the big crop ahead, if there is a fairly good-sized carryover, there should not be a difference of 16 to 20¢ per bu from old to new crop. Undoing of spreads was very likely responsible for today's narrowing.

Corn and oats gave ground rather grudgingly, but there was liquidation, and final prices were lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 22, 1947.

There was nothing special in the overnight news except that the CCC had reduced its buying price of corn by about 1¢ per bu, and apparently is less eager to keep the market up. They are now paying prices related to the March futures as compared with January previously. This all suggests, as stated yesterday, that the government is becoming a little more conscious of high prices, probably recognizing their own importance in these operations. In other words, when they stated sometime ago that they were willing to buy almost unlimited quantities of wheat in the Southwest at a fixed price, it naturally gave confidence to the producer, who may have held back quantities that would otherwise have been sold on the market. Likewise the wheat in second hands moved less freely until it was announced that the bid of $2.07 per bu at Kansas City would terminate at noon January 18th. A rather lengthy statement was issued by CCC from Washington, but nobody could draw definite conclusions as to future policies for the reason that those in charge of the program still have uncertainties in their own mind. This much, however, may be said --that virtually enough wheat has now been purchased so that with estimated flour exports, we shall have about reached the 300 million bu mark. However, the Department of Agriculture plans to speed up the export program, so that if possible 400 million bu of all grain will have been shipped by end of March instead of that quantity clearing by June 30th. The government had earlier planned to export a total of 400 million bu of all grain, of which 250 million comprised wheat and flour, but even now they may decide to ship as much as 350 million bu wheat and wheat products for the entire season if there should be a price decline and supplies can be easily acquired. However, taking the present basis of 300 million bu, if that is reached it would still leave us with a carryover supply next July of about 180 million bu, and we presume that for the time being it is fairly safe to use that figure. The CCC has stated that if the mills fall behind in their grindings and supply too much to Latin American countries, which will cut down shipments to Europe, we may finally ship more abroad in the form of wheat and less as flour, but, of course, this would not change the total figure.

After the opening, Secretary Anderson was quoted as being somewhat worried over the support program unless some provision is made for reducing wartime production. He was very definite to say that if any change were made it would have to be by mutual consent between farmers and the government. He apparently does not have in mind reneging on the commitment to continue the 90% of parity loan, claiming that even though the bill for continuing it would be costly, it could all be classed as a part of war. However, his main concern is that the government, now committed to support prices, will in some cases offer such a high incentive that production will increase beyond present needs, and, of course, in the end have detrimental effects.

Primary receipts of wheat were smaller and amounted to 1,181,000 bu compared with 856,000 bu last week, and 660,000 last year. Kansas City and Minneapolis stocks so far this week show a total increase of 122,000 bu.

At the start, there was some indifference and lower prices were recorded in all pits. However, Secretary Anderson's speech was construed as somewhat bullish. In spite of the fact that the government does not seem to be buying any wheat at the moment, their program is so tremendous that nobody can overlook the final consequences. If it should finally be carried out, it is now possible that we shall clear between 500 and 550 million bu of all grains for the season. If this maximum goal is reached, it would probably include 350 million bu of wheat and flour which would correspondingly cut our carryover from the figures recited earlier and not leave us much more in the reserve than we had a year ago. On the possibility that this might happen, there was covering and buying of wheat futures, particularly for March and May delivery and these months were stronger than July. If we should bring our reserve to a figure not much more than was on hand last year, then, of course, it makes the question debatable as to what premium there should be for old crop over new. However, it also must bring to mind that July wheat is already cheap, based on the probable loan and if anything should happen to the new crop it likewise would easily influence new buying. Thus, crop scares, if they develop, are bound to have quite an influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 23, 1947

The British were again faced with the rather unpleasant news that they are about to experience another cut in their rations by receiving less fresh meat, less beer, and, furthermore, that cuts in bread and bacon rations may be necessary. In presenting this to the English people, Lord Henderson, government spokesman before the House of Commons, advised that their stocks of wheat have fallen uncomfortably low, and he seems to blame this mainly on transport and coal strikes in the United States. We, however, differ with Lord Henderson, and do not believe that the entire difficulties of low wheat stocks can be laid at the door of the United States; but is merely another example of where the "plans of planners" do not always materialize. When the natural laws of supply and demand are interfered with by artificial methods of price control, allotments, etc., difficulties are bound to arise.

In analyzing statistics we feel that a great deal of the responsibility should be placed on the shoulders of the Canadians, and that the situation has been aggravated by the Wheat Pact, which was entered into last year. The agreed sales to the United Kingdom for the period of August 1, 1946 to July 31, 1947 was 160 million bu. We do not believe that any arrangement was made for a definite quantity per week, but merely a commitment covering the twelve-month period. For the first twenty-three weeks of the present Canadian crop-year, exports to the United Kingdom have amounted to approximately 59 million bu, or slightly in excess of one-third of the year's allotment. Under normal and free markets, the usual procedure was that the first six months of a crop year would witness the larger proportion of the year's exports. This has caused several questions to be raised in the United Kingdom, which have not been satisfactorily answered by the Food Minister, Mr. Strachey: namely, how far the Canadian policy of fixed prices with which the Wheat Agreement is bound up has affected the general movement from the farm, and secondly, how far the relatively low price paid by Britain has caused wheat to be diverted to other countries. At the start of the season stocks at Ft. William were practically exhausted, and there was very little available at that time for lake boats. While the early movement was somewhat restricted by adverse weather, it seems to be the consensus of grain men at Winnipeg that the rather small deliveries the early part of the season were attributed largely to the fact that farmers at their fixed price had no special price incentive to hurry wheat to elevators. When free prices used to reign, the disparity of short supply at certain points was quickly made up through a price incentive. Had the producers in Canada not been restricted at the start of the season as to the price they obtained for their products, heavier shipments would have taken place to the lake heads, more grain would have been placed in position for export and would not have been in competition later with the coal and ore movement. We further believe that another factor contributing to the United Kingdom's present predicament is the fact that there was greater incentive to export to other countries at higher prices.

Secretary of Agriculture Anderson yesterday announced that the 400 million bu goal of grain to be exported would be reached by March 31st, and that, therefore, sights were being raised to export between 500 to 550 million bu all grains by June 30th. He added today that American agriculture faces a good year in 1947, and that our ability to export wheat is limited only by our ability to deliver same at our ports. He predicts a relatively low level of wheat stocks this coming summer, and stresses the fact that we have tended to under-estimate rather than over-estimate what we could sell abroad. Mr. Anderson is also advocating the revision of farm parity with consideration being given to the inclusion of farm labor, although only the other day stressed the fact that support programs in this country should be tied up with probable crop restrictions in order to prevent a tremendous outlay of what might be more than $2 billion in support and wasteful overproduction.

Primary receipts of wheat today totaled 1,692,000 bu compared with 1,413,000 bu last week and 926,000 bu on the comparable day of last year. So far this week Minneapolis and Kansas City stocks show an increase of 218,888 bu.

There was some evidence of flour business, with hedges being lifted in the pit the early part of the session. However, wheat seemed to be on tap on all advances. Corn was subjected to liquidation of the January future, which expired today. From what we gather many of the elevators have as much corn contracted to dry as can be taken care of during the next thirty to forty-five days.

UHLMANN GRAIN CO

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 24, 1947.

Discussions are taking place before the Senate Committee on Agriculture with reference to the farm program in this country, and also before the Appropriations Committee as to expenditures for crop support programs, financing of the Commodity Credit Corporation, etc. Secretary Anderson, in appearing before the Senate Committee on Agriculture, stated that any permanent change in the long-time agricultural policy should be carefully studied by farmers and Congress, as well as by officials responsible for the administration of federal agricultural programs. We are all fully cognizant of the fact that the law provides for a 90% of parity support program on basic commodities for a two-year period: namely, the years of 1947 and 1948. However, the Secretary of Agriculture points out that there should be a continued large demand for the export of grains during this year.

As we have pointed out so many times in our market letter, the grain trade as a whole is interested in the prosperity of the farmer. A healthy farm economy means a healthy over-all economy for the country, but it is up to the producer to take a realistic view of the support programs. It should be evident from past experiences in this country as well as abroad that when one seeks "so-called security" he must surrender certain of his fundamental rights as an individual and be subject to government regulations, whether in the natur of crop controls, plowing up of acreages, killing animals, or whatever method is deemed advisable by the planners. The farmer has always been known as an individualist, and up to the advent of the early 30's, regulated his own life and his own production. In the 30's we ran through the whole gamut of farm programs, none of which successfully solved any of the problems, and none of which leads one to believe that there is any successful method of controlling the size of crops and prices other than the actual supply and demand. It would seem that, in view of Secretary Anderson's statement of the tremendous need for farm products during the coming year, this would be the opportune time to cut the traces of artificiality and let free enterprise assert itself. If the demand for food in this country and abroad is such as has been represented, then there should be no fear of a debacle on the farm. Should there be some recessions, the producer then could guide himself as to his future production. We have always maintained that the purpose of a loan program should be a floor to prevent unduly low prices, but in maintaining the policy of 90% loans it cannot help but act as a stimulant to production. The experience with the potato crop this year demonstrates the uselessness, the wastefulness, and the expenditure of taxpayers' money in artificially supporting the market.

Discussion is again taking place in Washington as to a revision of the concept of parity. According to government figures as of December 15th, wheat prices were 102% of parity, rye 142%, barley 103%, and corn 89%, and yet there are many who regard the price of corn as high. Going to other products which enter into the farmers' income, hogs are 146% of parity, beef cattle 151%, lambs 149%, butterfat 142%, and so on with the list. If we are to avoid the inflationary spiral, now is the time to cut the strings that have artificially stimulated prices and that might lead to extraordinarily high expenditures on part of the government, which in the long run have to come out of the pocket of every taxpayer.

The Commodity Credit Corporation still is not accepting offers on wheat but cash prices at Kansas City are ruling very firm. While receipts in the Southwest are running heavy, most of same are being applied on previous sales. Our March wheat displayed strength throughout the session and now that January is out of the way will probably attract more attention. Understand considerable corn was purchased by CCC today.

Weather throughout the grain belt has been moderate, with sections of the Southwest reporting that subsoil moisture needs replenishing. However, as a whole crop prospects remain very encouraging.

September futures went on the board this morning, original transactions being about 4¢ under the July, although later in the session this differential narrowed. Of course, much will depend on the demand for early wheat, but purchases of September vs sales of July seemed to have some attractive possibilities.

Primary receipts of wheat today totaled 1,589,000 bu as compared with 1,609,000 bu last week, and 997,000 bu comparable day of last year. So far this week stocks at Minneapolis and Kansas City show a net increase of 235,296 bu. When the visible supply is posted on Monday it will compare with a decrease last year of 3,831,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 27, 1947

Senator Reed of Kansas is again stirring up the railroads on more equitable car distribution because of the small portion of box cars in western areas to handle the large grain export program and to keep pace with domestic needs. The ICC has decided to hold a formal hearing beginning February 4th, at which millers, grain exchanges, terminal market experts, producers, country elevator representatives, along with railroad officials and numerous governmental heads, will discuss the situation. Meanwhile the figures towards the end of November disclosed the number of cars the Santa Fe had were only 81% of its ownership, the Union Pacific 83%, Rock Island 88%, Burlington 70%, and Missouri Pacific 93%, and a heavy amount on Eastern roads. Several weeks ago, as example, the New Haven Railroad had 341% of its ownership, and other Eastern roads had almost like amounts, such as 309% for the Boston & Maine. The DL&W had 118%, and 125% on the Erie, but since then there has been a reduction on these Eastern lines.

The Conway Committee, which is attempting to step up grain exports, will seek no permits or priorities to get additional box cars unless the ODT is unable to make good on grain deliveries to port areas under the new advanced schedule. This Committee will give the railroads forty days or more advance notice on rail shipping schedules, which should be ample time in which to concentrate the grain. Officials expect a 400-car-per-day schedule to become operative for the Gulf by the end of the month, which they believe is the maximum that can be handled, despite a theoretical capacity of 100 cars more per day. At the present time receipts are quite good, as Kansas City reported 2,020 cars received last week, which established an all-time record for that period. Today Chicago has a total of 816 cars of all grains, which is also high for this time of year. Interior Southwestern markets are getting big receipts, but, of course, this is entirely expected as recent purchases by the CCC for delivery of warehouse receipts in terminal elevators by February 10th called for an accumulation of large amounts of wheat. We see in today's visible supply report that such places as Hutchinson showed 1 1/4 million increase, Kansas City a moderate amount, being the first in many weeks, and also, additions to the stocks in Omaha, St. Joseph, etc.

The National Grain Trade Council advised, "Corn exports recaptured," and goes on to state that PMA has decided that beginning with March allocations, the trade will have part of the export program turned back to them. Some twelve cargoes of corn have been decided upon, and it may be that other business will be turned over to them for the military occupied zones, but it seems that UNRRA probably will continue in the hands of the government. There is also some indication that PMA is willing to find a way to allow second-quarter movement of wheat down the lakes to go to private firms, but there has been no commitment thus far. Various government agencies are almost unanimously agreed that their interest should be towards returning all grain exports to private traders as early as possible. It is thought that the March allocations will probably be issued this week, and there is a hope and some indication that the allocations for the first two quarters of 1947 may be available fairly promptly.

There is no doubt of the great need of our grains in Europe, even though some of this arises through mishandling in the countries where wheat was fed to livestock, and coarse grains sold in the black market at high prices. The fact, nevertheless, remains that the populations are in desperate need of food. New crop conditions are not progressing well, as there have been severe cold spells following warmer periods, and there has been a lack of adequate snow-covering. Reports from the Ukraine in Russia are unfavorable, and also conditions in the Danubian Basin have been lowered. Spring seeding will no doubt be on an extensive scale, but this is usually not as satisfactory as winter-sown grains.

The wheat visible supply increased 1,573,000 bu for the week, which brought the stocks up to 38.6 million bu, but that is still about 30 million bu less than a year ago. Primary receipts of wheat were today 2 1/2 million bu, which was only slightly more than last week but compared with 1,300,000 bu last year. Corn stocks in visible points increased 1 1/2 million bu to 26 million total, but the oats continue to decline with a reduction of 1/2 million this week putting them down to less than 6 million bu as compared with 36 million at this time a year ago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 28, 1947

Thought in Washington seems to tend toward the fact that we have temporarily passed the inflationary period and are now headed for a downward revision in prices. However, one fact that seems to be overlooked is that support programs and other governmental expenditures are leading to a more or less permanent inflation in the economic structure. Our government in order to build up farm production for war needs committed itself to a support program that will last through the year 1948, and which is bound to lead to great difficulties. Already the repercussions have been felt in the potato crop this year, with the national holding about 42% above the ten-year average. In New York state alone the holding amounts to 13,400,000 bu compared with 5,870,000 bu a year ago, and a ten-year average of 8,193,000 bu. The surplus cannot be disposed of and potatoes will be permitted to rot and be destroyed. Eggs are also furnishing an enigma. All branches of the trade have requested that the support program be eliminated for that commodity However, the Department of Agriculture under the present law is committed to hold up prices, and millions of dollars will have to be spent on this support program. As far as the consumer dollar is concerned, it can go just so far and no further. If food prices are high it leaves less money to be expended for other goods. If the fears, as expressed, that the demand for general merchandise will lessen, then it would seem the better part of wisdom to permit food prices to decline, so that more money would be available to spend in other quarters.

In view of the fact that the demand for grains should remain at high proportions for the new crop and that export demands will still be heavy, it would appear that this is the propitious time to cut away from the 90% support idea and permit production to gradually adjust itself. One economist closely allied with the world food situation predicts that foreign demand for cereals will keep prices above support levels at least through the 1947-48 crop-year. We pointed out a few days ago that many farm products, such as meats, fats, etc. are selling well above parity figures, and even though through elimination of a high support program some farm items might suffer, the total income of the farmer should remain at a very satisfactory level, and the transition period from apeacetime economy would be more easily met than by continuing price support programs until such time as unwieldy surpluses are plaguing the economy.

The Federal Crop Insurance Programis having a rather "rocky" road at the moment, and seems to be headed for oblivion or a thorough overhauling. This program is about eight years old. In the first five years the net loss to the Nation was about $33 million. Last year indemnities paid to farmers exceeded premiums by more than $12 million, with a total loss after administration costs of about $22 million. The largest losses were sustained in the cotton areas, and the government has been very fortunate that during the past two years the loss in wheat due to favorable weather has been extremely low. In the State of California, Secretary Anderson pointed out that $2.15 was paid out for every dollar of premium collected, and further stated that this would mean quick and certain bankruptcy for a private insurance company.

Generally bad weather prevailed throughout Europe, with storms sweeping across Britain and the European Continent, adding to the suffering in that part of the world. However, these storms have been accompanied by snows, which might furnish some relief as far as new crops are concerned, although the general comment from Europe has been that weather on the whole has been unfavorable, and that crop prospects have been going backwards. In this country there has been no recent moisture but the weather map is such that there seems to be aprobability of some moisture throughout the Southwest. This would be very timely as top moisture in many sections has disappeared.

Commission houses were the best buyers of wheat today, and at one time the March future sold within a fraction of the season's high. Cash wheat remains firm in the Southwest, with the basis following declines or advances in the futures market. However, at present levels there does not seem to be any chance of attracting wheat to Chicago, and the nearby future could become tighter. Reports from the milling industry indicate that at the reduced price level, there is not much flour being offered to the PMA at the moment. The CCC continues to purchase corn; there were 825,000 bu acquired yesterday, bringing total purchases by the CCC to 24,300,000 bu.

Primary receipts of wheat today totaled 1,633,000 bu compared to the exact same figure a week ago, and 773,000 bu same day last year. So far this week stocks at Kansas City and Minneapolis show a net increase of 139,190.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

January 29, 1947.

The government furnished figures a few days ago giving the total wheat in all positions as of January 1st at 643 million bu, which showed a disappearance for the first half of the year of 613 million bu from the original supplies of crop and carryover of 1,256 million bu on July 1st. This compared with a disappearance of 708 million bu the previous season. Naturally the interest of the trade is centered around the possible enlarged export program and what our supplies will be at the end of this crop-year. The present intention is to attempt to export the equivalent of 300 million bu wheat for the entire crop-year. If it is physically possible to move this quantity of wheat, it appears likely that we will finish the season with a carryover of somewhere around 110 million bu, or slightly in excess of last year's figure of 101 million bu. We have come to this conclusion after trying to analyze all the figures and in attempting to estimate this year's disappearance. In the unrevised detail of last year's disappearance issued by the Bureau of Agricultural Economics, the various uses of wheat from January 1st to June 30th were given as 598 million bu, but the present figures indicate that this may be cut to 580 million bu, accounted for possibly in the amount of wheat fed, which had been given as 147 million bu, but probably did not exceed 130 million bu. It seems unlikely that anywhere near as large an amount will be fed the last half of this year because of the high price of wheat, and the availability of other feed grains, particularly corn at a much cheaper price. Therefore, feeding may not even run half of last year's.

Industrial uses ran less than 2 million bu for the final half year. Seed for spring crops is not likely to vary from the 22 million bu used in 1946. Food, because of restrictions being raised on the millingextraction, is likely to exceed the 228 million bu reported used in the period under consideration for 1946, and may run 250 to 260 million bu. This consequently leaves the amount to be exported to be accounted for. For the first six months of this crop-year, the total disappearance in that channel was 150 million bu, and to obtain the goal of 350 million, an additional 200 million would have to clear our ports, which would then total the same quantity as last year when we were heavy exporters. Summing up these various uses, including export, would run the total to 530 or 540 million bu, which, deducted from stocks as of January 1st of 643 million bu, would indicate a probable carryover of 110 million bu. The dominant factor as to the final figure will be the total of our exports.

The weekly government weather and crop report states that winter wheat and other small grains were mostly recorded as wintering well over the country and in good to excellent condition. Snow-covering has generally disappeared over most of the winter wheat belt, leaving the wheat unprotected. There had been alternate freezing and thawing weather during last week. However, the report indicates that damage appears slight, with plants generally well-rooted. Present weather indications point to rain or snow tonight or Thursday in both the Southwest and in the Central States.

The Commodity Credit Corporation reports that for the week ending noon January 24th, their total wheat purchases amounted to 20,528,674 bu, of which 17,743,800 bu was obtained in two days through the Kansas City office, the balance being Pacific Coast wheat. Their total purchases since September 9th, amounted to approximately 93 million bu.

Primary receipts of wheat today totaled 980,000 bu compared with 1,181,000 bu last week, and 782,000 bu last year. So far this week stocks at Kansas City and Minneapolis show a combined increase of 449,707 bu.

There has been no change in the Commodity Credit Corporation's buying policy in Kansas City, and no purchases are being consummated in that market at the moment. The PMA is obtaining relatively little flour at its lower buying price, and other flour export business is rather flat at present. There seems to be buying resistance developing among domestic flour customers. However, the potential demand for flour and wheat remains strong enough to prevent prices from sagging. Cash wheat remains about unchanged in Kansas City, with the premium fluctuating according to the futures market. The strength in our market is dominated by the firmness in the March futures, with the final outcome of that month somewhat in doubt. However, with stocks of wheat so low in Chicago, at present differentials there does not seem to be much possibility of working any wheat to this market for fulfillment of contracts. The March future went into new high ground today. The government continues to make rather large purchases of corn, but shipments from the country are heavy enough to take care of current requirements.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 January 30, 1947.

After the close of the market yesterday new parity figures were released for January, and increases were shown all along the line. Wheat parity now at $1.90 per bu is the highest on record, and compares with $1.66 for last June, or an advance of 24¢ per bu. The way the law reads, loan figures are based on parity at the beginning of the crop season. This, of course, would be July 1st, but for computation the government apparently recognized that there would not be a new figure issued and published until July 29th. Therefore, they took the figure from the month earlier, which as we stated was $1.66, although the July parity figure had advanced 10¢ to $1.76. Nobody can tell what the parity will be five months hence. It is suggested that we have now seen the peak, and that very shortly a downward trend may be experienced Whether or not this forecast will find fulfillment is difficult to say, but in any case we doubt very much whether the decline will be precipitous, and, therefore, it is more than likely to expect that a rather high loan figure will be established for next season's crop. Our own guess would be that it will probably be considerably higher than the one for the current season of $1.70 Chicago, which was available to farmers for the six months period, July 1st to December 31, 1946.

Probably of equal importance is the rate of exports, and while Mr. Anderson recently stated that the Department hoped to ship 500 to 550 million bu all grain during the current season, there is some reason to be a little skeptical whether this goal may be reached, First of all, we know that total shipments for the first six months of the season were only 177 million bu, including all grains and flour. During that period we had the maritime strike, and there were other difficulties, but yet grain moves more readily from the farms right after harvest, and, consequently, we are somewhat dubious whether we can ship 375 million bu wheat, flour, and grains from January 1st to beginning of the next crop, as it would be almost twice as much as we cleared during the first half of the season. As a matter of fact, Washington reports this morning that the export program for January will fall behind schedule by about 22 cargoes, of which 16 comprise wheat and the balance corn. There have been delays in getting ships spotted for loading at appointed times, but whatever the reason may be, it suggests that the program will be deficient by about 7 million bu from the target, and there is no assurance that this loss will be recovered later on.

However, there was no weakness in today's market, probably the advance in parity levels attracting additional attention, and besides the carryover feeling from yesterday was bullish, so that with advances in securities buyers found very little resistance. Corn values were influenced by higher prices for hogs, with a top of $25.25 being paid.

The Chicago corn-hog ratio was 16.8 compared with 12.5 a year ago. As a matter of fact the present ratio is so attractive that we look for an increase in the spring pig crop and are somewhat surprised that farmers had not taken advantage of this situation earlier.

In Europe weather continues unprecedentedly cold, and temperatures are very low, probably the most severe that have been experienced in England in half a century. The same is true in northern Europe, and since there has not been much snow-covering, we are prone to believe that it is bound to affect next summer's crop. Here at home, the Mid-west and parts of the Southwest also had severe weather, ranging from snow and sleet to freezing rain, but apparently no harm to crops, and possibly the moisture will be beneficial. The zero weather was most severe in north Minnesota and other parts of the Northwest, but will probably spread to more southerly districts by tomorrow.

Primary receipts of wheat amounted to 1,037,000 bu compared with 1,692,000 bu last week, and 858,000 bu last year. Due to bad weather five points are missing. Kansas City and Minneapolis stocks so far this week show a total increase of 595,000 bu.

At times the market was strong on rumors that the government was buying again. Minneapolis was relatively stronger. The CCC, however, claimed that while they were feeling out the market to see how well they could buy wheat, no purchases had been made. However, we assume that they will re-enter the market before long. The March/export allocations are expected to be issued today or tomorrow, and will probably be as large as the previous month.

The Australian wheat crop is estimated to yield only 115 million bu compared with an early estimate of 160 million bu. The average for that country is about 150 million bu. Corn prices were firm, but CCC purchases were rather modest, and the total to-date is approximately 26 1/4 million bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

January 31, 1947

Dr. D. A. Fitzgerald, Secretary General of the International Emergency Food Council, painted a rather gloomy picture today with respect to European food conditions, stating that vitally important cereals, fats, and oil supplies have proved smaller than expected. He also pointed out that the food outlook was darker now than it was last October, but in reading the resume more carefully, we find this is only a rehash of what has been known for some time. All news of this character is the basis of the ambitious program outlined by our government in an effort to get 500 to 550 million bu wheat, grains, and flour into exporting channels. It would virtually mean that having cleared about 150 million bu wheat and flour during the first half of the season, we would have to ship about 200 million bu from January to July to attain this goal. As near as we can tell, the total clearances of wheat and flour since July 1st have amounted to about 162 million bu. Having started with a total domestic supply at the beginning of the season of 1,257 million bu, we still can see no change in the final carryover reserve from what we have given earlier. However, we repeat it again that if the maximum shipments are met then our reserve next July will be cut to about 110 million bu, and anything by way of lesser exports would, of course, increase the carryover by the same amount. This is all on the theory that the amount for feeding, for seed, and for home usage has been correctly stated.

In looking at other countries, we find that Canada continues to do a rather poor job, and since August 1st, or for a period of twenty-five weeks, they have shipped only 104 million bu wheat and flour, which still leaves 211 1/2 million bu available for export and next carryover. The Argentine crop did not turn out too badly, but a contract has just been entered into with Brazil to provide 55 million bu a year during the last five years, starting January 1947. This, of course, takes quite a chunk of the available exports, and does not leave much for shipment abroad, particularly when it is considered that some quantities will probably go to Spain under a previous arrangement. Negotiations are pending for the purchase of 18 1/2 million bu Argentine wheat by Britain, but we do not believe that anything has been definitely contracted for up to now. Since August 1st, Argentine has cleared only 15 million bu wheat and flour compared with 34 million bu last year and 51.7 million bu, the 1931-35 average. As we mentioned yesterday, Australian results have been reduced, so that no heavy shipments can be counted on after allowing for moderate sales already made to the Orient. Thus one can easily understand the urgency in the demand, particularly when we are reminded that the total shipments from the United States, Canada, Argentina, and Australia, since August 1st to-date, have been 144 million bu smaller than last year.

Our market opened slightly higher, and was also influenced by a prediction of cold weather for Kansas, with only moderate snow protection and little likelihood that there would be any relief before the zero temperatures set in. In northern sections of the State the fields have as much as three inches of snow, but high winds have caused drifting and, therefore, there is a little more apprehension than we have had any time this winter.

Primary receipts of wheat amounted to 1,720,000 bu compared with 1,589,000 bu last week and 863,000 bu last year. In these figures, Milwaukee was missing. That city is still isolated because of the heavy snow drifts. Kansas City and Minneapolis stocks so far this week show a total increase of 798,000 bu. We may have a slight increas in the visible supply on Monday. It will compare with a shrinkage last year of 5,410,000 bu.

Trade enlarged and prices were firm right from the start. March wheat went into new high ground again and with cash premiums well maintained, the nearby positions in all markets have been strong. This likewise influenced May wheat although for a time it was more or less neglected. There was considerable buying of the new crop futures because of cold weather which is forecast and which may bring about a heavier abandonment than we have had in the past two or three years. Corn prices were very strong and it does not seem that we are going to build up any reserves, in fact, with the government buying, demand is fully maintained. Oats were quote indifferent for a long period but finally advanced fractionally influenced by the strength in wheat and in corn.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

February 3, 1947

The Bureau of Agricultural Economics gives some very interesting data on the wheat situation, and using their figures we find that we started the season with total supplies, including the carryover of 1,256 million bu. The disappearance domestically is expected to total nearly 790 million bu, divided as follows: 525 million bu for food, 180 million for feed, and 87 million for seed. This would leave approximately 465 million bu for export during the marketing year, or for next carryover. On the assumption that shipments will amount to 325 million bu, it would leave us with a reserve on July 1st of 140 million bu. Projecting this picture still further on basis of an estimated winter wheat crop of 947 million bu, and assuming average spring wheat production, we would have a total crop of 1,170 million bu. This would be above the 1946 record of 1,156 million bu. Of course, one must always realize that in forecasting so far ahead, there are many hazards, and just at this writing we are faced with cold-wave warnings, with temperatures in the Northwest likely to fall to 30 below in northern Minnesota, probably zero to 5 below in northern Illinois, and around the zero mark in northern Kansas to slightly higher in other southwestern localities. The only area of winter wheat that gives us any concern is in the Southwest where apparently the snow-covering is inadequate. The last cold spell was of such short duration that probably little harm can be expected as a result. However, a prolonged stretch of zero temperatures would likely cause heavier abandonment than we have seen during the past four or five years.

However, we have to take the government figures for the time being, and assume they are as reasonably correct as any determination that can be made at this time. On that basis, with our domestic needs ranging somewhere from 775 to 800 million bu, there would be an overage from the 1947 harvest of about 380 million bu either for export or addition to the following carryover. Thus, if we have favorable production next summer, and if combined yields total 1,170 million bu, as is now estimated, we should again be in a position to export 325 million bu, and have a larger carryover on July 1, 1948, than we shall probably have next July. In other words, it would reach a figure of about 195 million bu, which is close to the average for the past ten years. It is very fortunate that we are faced with such an optimistic picture at this time. As we view the shipments of wheat and flour from the four major exporting countries, we see that since August 1st to January 24th; Canada has cleared only 104 million bu, the United States 137.2 million, Argentina 15.5 million, Australia 23.7 million bu, or a total of 280 1/2 million bu. This compares with 434.8 million bu same period last year, or a deficiency of 154 million bu. Thus one can readily understand why the European demand should be so urgent, and Broomhall points out that exports of United States grains will continue in heavy volume well beyond the end of the present crop-season, and possibly throughout the 1947-48 season. Much of this is due to the unfavorable weather conditions which have prevailed over most of the European sections for the past two months. Heavy winter losses are expected in a number of countries, and during the week damage in France was estimated by one source at 30 to 50%. Part of this might be made up by spring seedings, but even for that they will have to get additional quantities of wheat for seed from North America.

Primary receipts of wheat amounted to 2,358,000 bu compared with 2,541,000 bu last week, and 1,260,000 bu last year. When the visible supply was posted, there was a decrease of about one million bu. This brings total stocks down to 37.6 million bu, or 25 million bu less than last year. In Chicago there was a slight increase, but still stocks are only 640,000 bu. The corn visible increased 2.6 million bu, and is now practically 29 million bu, or 14.2 million more than last year. However, with an aggressive program for exports we do not look for any heavy accumulations, and today's bookings from the country were very moderate.

Right after the opening, wheat prices became rather strong, and there was considerable buying of July wheat by a cash house, which attracted some attention. The same concern was an aggressive buyer of cash wheat in the Southwest, some observers believing that they purchased as much as a million bu. This accounted for a very strong cash market, both in Kansas City and in Texas, with No.1 hard wheat in Kansas City selling as high as $2.17 per bu. The new crop figures are coming in for more attention, particularly with more cold weather in sight. Considering the strength in wheat, corn and oats futures were somewhat indifferent.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 4, 1947.

Temperatures in the Southwest were not as severe as had been anticipated, and from what we learn the crop has not come to much harm since it was so well rooted last fall. Even though there was not much snow protection, the recent sub-zero spell was very short-lived. In an ordinary year abandonment due to winter killing would run about 7 1/2%, so that recent winters where the abandonment was smaller were the exception rather than the rule. As a matter of fact, in 1932-33 there was one year when winter killing ran as high as 32%. But that was unusual and something that would not occur very often. As Broomhall points out, with the large sown acreage we could even stand a little extra loss without serious impairment to the final results. However, it is becoming more apparent that the importing nations are leaning more and more on the United States.

We have pointed out in many of our letters that the Southern Hemisphere countries, which ordinarily would be a big factor at this season of the year, are now relatively unimportant. The Australian crop was estimated to produce only about 116 million bu, and granting a carryover of some 20 million bu at the end of November, it would not leave much to spare for shipment abroad. Home requirements are now tentatively placed at 80 to 85 million bu compared with only 50 to 55 million bu before the war when feeding requirements and home usage were smaller. On the expanded basis it will leave only about 50 million bu, or a little more, for export and carryover. However, we do not look for much of this wheat to go to Europe for the reason that during the past twelve months shipments were almost entirely confined to flour and went mainly to India, Ceylon, Maylaya, New Zeland, and Hong Kong. It is figured that these same countries will probably continue to get the bulk of the Australian surplus.

When our market opened this morning prices were firm. Securities and cotton, which preceded us, led the way toward higher levels, and while there was not the same support that there had been yesterday, nevertheless, offerings were light and new purchases that went into the May future ran prices practically to the previous high, while many futures scored new tops. The Commodity Credit Corporation raised their corn bid 1¢ a bu. They are now paying 17¢ over March track Baltimore for two yellow corn containing 14.50% moisture or less. Meanwhile, offerings from the country are a little bit larger, but much of the corn on farms is now cribbed, and there does not seem to be the same anxiety on part of the farmer to sell. This being the case, and with about 20 million bu needed each month for export, it makes quite an addition to the commercial demand, and in our opinion is sufficient to keep markets rather strong. We appreciate that we have raised the largest crop in history, but still with a satisfactory feeding ratio, we doubt whether there will ever be a burdensome movement on the crop, and rather look for gradual declines in the visible supply, as it seems rather difficult to build up surpluses.

Primary receipts of wheat were somewhat smaller, and amounted to 1,491,000 bu compared with 1,633,000 bu last week, and 1,189,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 103,000 bu.

Trade in wheat went back to the original pit, and it was much more comfortable for the reason that there was room for the brokers to move about. However, the volume was smaller than yesterday, and there did not seem to be nearly the commercial demand. Some now believe that yesterday's heavy buying was of a hedge character against additional sales to Mexico, but it is rather difficult to confirm such reports. Nevertheless, recent advances have been pretty rapid, and with some profit-taking, markets showed a tendency to react from the early gains.

Oats, which have been rather indifferent during recent sessions came to life, and it is thought likely that the government will grant allocations for the export of this cereal after opening of navigation. As a result there was some speculative buying and cash sales continue at good prices, with one heavy whites still commanding a premium of 9 1/2¢ per bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 5, 1947.

Assuming a winter wheat crop of 947 million bu, which was the December estimate of the government, and allowing for an average spring wheat crop, our total yield next summer would be about 1,170 million bu. This would be the fourth consecutive year of crops over the billion-bu mark. As a matter of interest, we list the past three crops below:

1944 - 1,072 million bu.
1945 - 1,108 "
1946 - 1,156 "

Looking back over a period of sixty-one years, we find that the only previous time that production exceeded the billion-bu mark was in 1915, when we raised 1,008 million bu. Therefore, it is quite apparent that in spite of intensive cultivation, better fertilizer, and improved farming technique, bumper crops are the exception rather than the rule. Likewise, the reverse is true, and we cite four years when our production was less than our consumption, as follows:

1933 - 529 million bu.
1934 - 497 "
1935 - 626 "
1936 - 626 "

It almost reminds us of the biblical days, when there were the seven fat years followed by lean years. However, it is safer in most calculations to figure on average production, which for the ten years prior to the war meant a wheat crop in this country of 740 million bu. During that period we likewise consumed less at home, as food requirements then were only 479 million bu, the amount of wheat needed for seed amounted to 81 million bu, and for feed 117 million bu, or an average domestic disappearance of 677 million bu. As we pointed out a few days ago, we are now using about 790 million bu for domestic purposes; therefore, if we should ever have normal production again, we might have to import wheat from Canada. This would be particularly true when we are permitting our carryover supply to run into rather low figures, as was the case last July, and apparently it will be true again at the beginning of the next crop-year.

Another factor probably worth mentioning is that many farmers in this country have now accustomed themselves to heavier feeding of wheat. During the 1944 season, when corn and other feed grains were scarce, we fed 486.7 million bu wheat to livestock. While this figure has gradually diminished, in view of the fact that other feedstuffs have been plentiful, we might have occasion to use wheat again on a heavy scale if anything should happen to the corn crop. Feeding operations are so vast that it is no longer a trick to consume 3 billion bu corn, and that likewise is a very vast quantity. While we have had five crops of corn exceeding the 3 billion-bu mark, it, too, was almost by an act of God and was a tremendous help during the war. The ten-year average corn crop from 1931 to 1940 was only 2,339 million bu. Thus it can be seen that the first time we either have a failure crop of wheat or of corn it willmake a tremendous difference to the entire economy of the country. However, extensive use of hybrid seed will make a difference.

Foreign demand for wheat continues unabated. This despite the fact that world production, excluding Soviet Russia and China, for 1946 is now estimated at 4.15 billion bu. This is the largest crop since 1939 and about 3% above the 1935-39 average. Last Sunday, former President Herbert Hoover, left for Europe on his third post-war food mission. He was appointed by President Truman to seek some way of enabling Germans and Austrians in the western zones of occupation to feed themselves and reduce the cost to American taxpayers. As one of the leading New York papers recently pointed out, the food supply in Britain is more limited than it was during the U-Boat Campaign, and Europe and Asia are paying the price for the most destructive war in history.

Primary receipts of wheat were 1,036,000 bu compared with 980,000 bu last week, and 445,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 145,000 bu.

Trade was more moderate, and there was some hesitancy, although the market did not break sharply, and it ishardly likely that we can expect any sustained weakness so long as export shipments continue to make inroads on our accumulations. More moderate weather is in prospect, and although the forecast over the radio was for another cold spell about Friday, our weather man is skeptical that it will develop.

Corn was fractionally lower, but there was no particular issue.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 6, 1947.

If our exports of wheat and flour total 325 million bu, as is now estimated by BAE, the chances are that total world shipments from all countries should total about 675 million bu for the season. To give an idea of how this compares with other years, we call attention to the fact that in 1938-39, total wheat placed afloat amounted to 650 million bu, while a year later it was 625 million bu. During the war, activity on the high seas was greatly reduced, and only 365 million bu was shipped in 1942-43. This was a low. According to some of the experts who have studied European conditions, even with what seems to be a rather normal export surplus, the lag between supply and demand is estimated at something like 10 million tons. UNRRA officials have painted an alarming picture of the food outlook in those countries which soon will not be receiving any future UNRRA aid. The Secretary General of the Emergency Food Council stated recently that Britain's stocks of wheat were at their lowest ebb; that France was making urgent appeals, and that things were desperate in Germany. He also said that Hungary and Rumania were begging for cereals. Be that as it may, and not trying in any way to belittle the suffering which must be taking place abroad, there is very little that can be done about it, as about half the world shipments are going to be furnished by us, and even if Canada were inclined to do a better job, we doubt whether they could meet the record of previous years, having shipped 340 million bu in the 1945-6 season, 343 million bu the season earlier, and the same quantity in 1943-44. As a matter of fact, during the first five months of the present crop-year Canada has furnished only 89.3 million bu compared with 176.9 million bu the year before.

All this leads us to the belief that, as far as we are concerned, we shall probably end the season with a small reserve stock, and possibly not much more than we had last July. However, the CCC has been a very active buyer, and it is our belief that the reason they are out of the market at the present time is because they probably feel, including the flour still to be purchased, very likely the requirements are pretty largely covered, based on total clearances of 325 million bu, which would cover both wheat and flour. If this is the case then present prices of cash wheat are somewhat debatable. At the moment there is a big premium being paid in all markets over the May future, while the old crop deliveries are selling substantially over the price of July and September wheat. With this in mind, there are bound to be reactions from time to time, particularly since the buying of futures for commercial account may be on a lessend scale. In other words, as cash wheat is bought by those who now own futures, there should be liquidation of commitments in the normal business routine of selling out hedges when they are no longer needed.

We are told that there is some dissatisfaction inEurope over the fact that Canada is furnishing wheat to Britain at $1.55 per bu, and under her contract will ship about 160 million bu this season. Other countries, however, are being charged $2.27 for the same wheat, and all of this goes to show that a multitude of vexatious troubles often arise when governments enter into bilateral agreements and the same product is quoted at different prices to different countries.

Primary receipts of wheat amounted to 1,132,000 bu. This compared with 1,037,000 bu last week and 639,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 253,000 bu.

Markets were a little hesitant at the start, and May wheat declined to about $1.99 1/2 per bu, but there was no particular selling, and later in the session dust storms were reported from parts of Kansas and apparently some high winds in many localities. We believe that it is too early in February to be alarmed over this factor, although topsoil is dry, and a good snow would undoubtedly be very helpful. New highs were made for some futures, but on the advance May wheat was relatively stronger than the new-crop futures.

Corn was influenced by a report that restrictions had been lifted on this commodity for distillers' use. Likewise the CCC raised its buying price by 1¢ per bu. March oats were quite strong. The fact that cash oats are bringing such high prices naturally scares shorts in the nearby delivery, as we come closer to the time for tenders.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 7, 1947

The carryover feeling was somewhat bullish, and it generally is when new crop highs are made and when markets close virtually at the best level. In addition to this, the weather forecast this morning was for very much lower temperatures in the Southwest, probably sub-zero thermometer readings in northern Kansas and cold in other parts of the Southwest. It is already very cold in Nebraska where the fields are unprotected for the most part, but fortunately there were unexpected snows in parts of Kansas, with 2 inches reported at Hutchinson and Wichita, and 4 inches at Salina; also, 2 inches at Great Bend. There seemed to be strong winds, and the snows are undoubtedly blowing. Therefore, nobody can tell just to what extent the protection will be helpful, but in any event it should do some good. The chances are that the forecast of 947 million bu winter wheat will be difficult to maintain if the abandonment proves larger than normal. This is always the possibility when we have extremely cold weather, with only a moderate amount of snow. On the other hand we pay little attention to dust storms in February, when much of the ground is frozen solid for the reason that there cannot be much blowing except a little off the top. Furthermore, it is never so serious when subsoil condition is good, and in fact, it is practically the best on record over many sections of the country, going to a depth of 80 to 90 inches in some places. As one official points out, the roots of wheat are drawing moisture from the abundant hidden supply. In all probability it will be some weeks yet, and we shall have to wait until the plant greens to see how much damage, if any, has been sustained during this period.

In any case talk of frigid weather always has a little bullish influence, not only on shorts, (who for the most part have been selling wheat on the theory that the price was high), but also on domestic flour buyers who have shown apathy toward purchases during recent weeks. This meant the removal of hedges, but also, there was buying of July and September, which are now selling at big discounts under the nearby futures and at tremendous discounts under cash wheat.

There is still no change in the demand from abroad. No doubt it would be larger if we had the surplus and facilities for doing a greater business. India's final estimate on 1946 crop bases production at 332 million bu, which is the smallest since 1929, and approximately 50 million less than was raised last year. The severe cold spell in Europe has damaged wheat in a number of Continental countries, including France and Germany, but it is anticipated that damaged areas will be plowed up and resown to spring grain. Advices from Italy comment favorably on the condition of the winter wheat crop, although the present supply position in the cities has taken a turn for the worse, and it seems that growers are holding back large quantities in order to either feed it to animals or to sell it on the black market at prices considerably above the official rate. Six American boats loaded with wheat and originally intended for Germany were diverted to Italy. In French North Africa there were further beneficial rains recently, and the crop outlook is better than at any time since the end of the war.

Primary receipts of wheat were close to 1 1/2 million bu; have diminished somewhat since about a week ago, and compare with 872,000 bu last year. Corn receipts are also a little lighter than during the past several weeks. Stocks of wheat in Minneapolis and Kansas City both increased, totaling 364,000 bu, which indicates that we will not have any great change in the visible surply when it is posted Monday; last year for corresponding week it decreased 5,647,000 bu.

There was some additional corn export business done on the March allocations through the private trade, with Portugal having been reported buying two cargoes. Business to the CCC continues daily with 915,000 bu reported for yesterday.

On the advance the March oats ran into fair-sized liquidation, but cash premiums remain firm, and receipts continue light.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 10, 1947.

Late Friday PMA released export figures for all grains and flour for the month of January, indicating total shipments of 46 1/2 million bu. With some revision for previous months, this has now raised the total to 243 million bu, of which 197.4 consisted of wheat and flour. Also of interest to the trade is the fact that exports during the seven-month period were handled mostly by PMA, in fact, two-thirds of the clearances, while the remainder was exported through private commercial channels. This now raises the question as to how much grain will be shipped before another crop is available, and we are beginning to hear all kinds of large figures, but apparently this country is only committed to send 400 million bu all grains, and whatever quantities in excess of that can be furnished will be extra. Also we have no doubt that great efforts will be made for humanitarian purposes to ship as much as we can safely spare and for which transportation can be found. Therefore, it is still quite difficult to name a figure that will closely resemble the actual reserve supply that we shall have June 30th, and while some very low figures are mentioned, this is all on basis that exports will be on a much heavier scale than was earlier considered possible.

In any case there is no reason to believe that the estimated winter wheat crop of 947 million bu should be drastically reduced. It is true that we had some rather severe temperatures last week in parts of the wheat belt where fields were only partially protected, but yet there are very few complaints. We have been in touch with numerous parties well informed who feel that both Oklahoma and Kansas have come through the spell in comparatively good shape. Naturally if the high winds were to continue it might cause soil blowing and drifting, but even now the chances for some unsettlement could bring about a change, and possibly some moisture to relieve top-soil conditions. Present temperatures are more moderate, and our weather man looks for a gradual but slow rise, and in this connection the wind velocity has died down, so that possibly reports of dust storms which we had last week may not have the same force marketwise, particularly as many shorts have covered.

There is nothing definite yet from ex-President Hoover, who was sent to Europe and spent some time in Berlin. He went into an hour-long conference with British and American occupation authorities, and showed interest in the availability and yield of homegrown food in the United States and British zones and in the problem of food cultivation on a bi-zonal basis. Nevertheless, we are convinced that European needs will be great, and will even extend beyond the present crop season. As the BAE points out, even if the 1947 harvests of wheat in other parts of the world are good, there will be considerable need for wheat to rebuild the very low stocks in the importing countries. It seems pitiful that 20 million bu potatoes in this country have had to be dumped or used for fertilizer, but the Department points out that the potato surplus cannot be used for foreign relief, because the dehydration is too costly and without this process they would spoil enroute. Even with the large quantities used for domestic relief, chiefly school lunches and for other charitable work, the government could not prevent overproduction because while they were able to control acreage, they found they could not control the yield, and many farmers have changed to richer uses of fertilizers, which gave us this tremendous production. Speaking editorially, a Bakersfield, California, newspaper points out: "Millions of persons on the face of this globe are hungry today, yet at the same time we have the paradox in a Christian nation of contemplating the destruction of food when people are undernourished. Surely we have the brains to solve this simple equation."

When the visible supply of wheat was posted, there was an increase of 247,000 bu. This brings the total in all positions to 38 million bu, which is still 19 million bu smaller than a year ago. In Chicago, there was a slight increase but total stocks are still only 658,000 bu which is not much with navigation opening before long.

While the weather seemed to be quite satisfactory and even a little rain and snow reported in the Eastern Panhandle of Texas and New Mexico, there seemed to be further short covering with the result that May wheat prices were quite strong. However, March wheat lagged and the deferred futures likewise were indifferent, closing lower. It is figured that the CCC may be pretty well covered on its March corn allocations, and with this in mind, there was very little enthusiasm on the long side of corn and futures were lower.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Feb, 11, 1947.

Five million workers are said to be idle in Britain owing to the fuel shortage, and the Labor Government is apparently doing its best to prevent Atlee's government from falling. Nor is it likely that the Conservatives and the Labor Party will form a coalition government in an effort towork out the present chaotic condition. One thing, however, is certain --that the recent absenteeism claimed to be about 50%, while due in some measure to the weather, certainly has not been helped much since the mines became nationalized. As Winston Churchill pointed out, the government should have taken steps months ago to avert this crisis. Even now the Labor Government is bent on taking over the entire electrical power industry, and they have appealed over the radio for cooperation in overcoming an emergency of the utmost gravity. The weather turned freezing again, with more snow forecast; transit service in London has been greatly curtailed, many suburban trains suspended, and even candles are short. The situation is dire to say the least.

All this had some effect on our stock market this morning, with lower prices; likewise, cotton was weaker, and when grains opened there was apparently enough selling so that we had extreme weakness, particularly after the heavy short covering of the past three days. At the same time it is not regarded likely that our export program will be affected in the least, although it is becoming more evident that with the tremendous buying of both wheat and corn by the CCC and by others that we are gradually getting nearer our goal.

The late map which was posted yesterday suggested the possibility of moisture developing in the Southwest. There was hardly any precipitation overnight, although the official forecast is for some moisture over Kansas, but it will probably be light. This is rather unfortunate, although most experts agree that the plant is not suffering at the present time, and can probably go several weeks yet befor there might be real damage. Nevertheless, March is very often a month when we have considerable blowing because of high winds, and a good snow protection now or even rain would allay any fears from unfavorable weather which might develop later.

The Bureau of Agricultural Economics is very optimistic on the outlook. They claim that the yield per acre should be about 30% better than average for 1923-32, the pre-drought period. Fall and early winter conditions have been favorable over most of the country. Moreover, crops last summer were harvested early enough so that fields could be prepared in time for fall and spring plantings. There are more commercial fertilizers being used, and with new farm machinery available the outlook is all that can be expected. Soil mixture generally is adequate, and the supply of farm labor should be much greater than during the war. Taking all these factors into account, and assuming average growing conditions the 1947 crop yields are going to turn out about 30% higher than the normal. This would be the fourth highest of record, having been exceeded only in 1942, 1944, and 1946.

Primary receipts of wheat amounted to 1,732,000 bu compared with 1,491,000 bu last week, and a holiday last year.

As we have indicated earlier in this letter the weakness came mostly at the opening, and it took but moderate buying to give us a rather sharp rally. During the recovery, however, the new-crop futures were hesitant, and on the theory that they are not selling so far below the probable loan price there seemed to be less buying enthusiasm. This caused a further widening in the spread between May and July wheat, and between May and September wheat. However, the weakness of the deferred months finally brought about a reaction of March and May from their previous highs.

The main strength today was in corn, and there was considerable buying of futures by elevator concerns. Very likely this represented sales to the CCC, and the chances are that when their purchases are announced today's volume will have been very big.

Oats were quite indifferent, in spite of the fact that volume was heavy.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 13, 1947.

Despite a good many forecasts that the trend of food prices would be lower, we find that farmers are still getting very high prices and they are expected to average about 25% above January-February of last year for the first two months of 1947. In other words, cash receipts from farm marketings and government payments may total about $4 billion, and higher prices account for most of this increase. However, where certain items have begun to seek their level, the Department of Agriculture has put into effect supporting programs, and just today we learned that a nation-wide price support program for turkeys will become operative from now until the end of June. It is thought likely that up to 10 million lbs of turkeys may be bought, and the purpose is to enable producers who own 1946 turkeys to sell them at prices which are reflected in not less than 90% of parity. Since this cannot be done through regular trade channels under present marketing conditions, due to a record stock on hand, the government has decided to take action immediately. Undoubtedly, other similar measures will be adopted from time to time as prices sag.

On the other hand, we feel that the buying of wheat and of corn is not in any way connected with the support program, but rather is intended to take care of European requirements in their time of need. Ordinarily at this time of year, Europe would be getting considerable quantities of grain from Southern Hemisphere countries. In spite of a fairly good crop in the Argentine, with the possibility that the surplus will amount anywhere from 100 to 125 million bu, there seems to be very little available on the open market. Argentina has contracted with six countries: namely, the United Kingdom,Brazil, Spain, Chile, Italy, and Switzerland. Thus Argentina will probably be out of competition for world wheat markets this year, and it may be the beginning of far-reaching pacts in the years ahead. The latest reports fromAustralia indicate a production of only 115 million bu, which is a reduction from a forecast of 160 million bu made earlier. Last year the harvest was about 144 million bu, and the five-year average for that country is slightly over 154 million bu. Thus it is obvious that the surplus will not be burdensome, and as we have indicated earlier, most of it is destined for India, Ceylon, Malaya, and those countries rather than for European distribution. This leaves North America as the chief contributor, and despite the fact that total supplies in Canada were 490 million bu at the beginning of the season, her exports have been very disappointing, and for the first twenty-six weeks of the crop-year, which is just the halfway mark, only 108 million bu has been cleared. This means that there is still available for export and next carryover 211 million bu.

As for our own position, and as near as one can tell, because of the lateness in data being tabulated, we believe that in a period of thirty weeks, or since July 1, 1946, total clearances of wheat and flour have been about 174 million bu. On basis of probable domestic disappearance of 790 million bu, this leaves about 293 million bu for export and reserve stock on June 30th.

Before our market opened there was very little news except that temperatures had moderated everywhere. No rain was reported over Southwest sections, and nothing was forecast. While subsoil conditions are still very good, surface moisture is deficient, and there is always the fear that unless there is some relief, blowing may cause dust storms, and very likely this was the reason, together with somewhat higher securities for further price improvement this morning. New highs on the crop were established, and there seems to be very little pressure to sell, although Kansas City reported slightly better offerings of wheat from the country.

Primary receipts of wheat were quite large and amounted to 2,413,000 bu compared with 1,132,000 last week and only 813,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 193,000 bu. Trade in wheat was not quite as active as during recent sessions but yet there was a fair volume of trade and while there were some reactions from the best figures of the day markets could not be termed weak although the new crop futures were under some pressure. Corn was quite firm and we believe that the CCC was aheavy buyer again. Their purchases yesterday amounted to about 3 1/2 million bu, and it would appear to us as though they are getting somewhere near their goal. Therefore, this factor is being very carefully watched.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

February 14, 1947

Anybody who has to do painting around the house or other places will doubtless know how costly this article has become. Just recently the Department of Agriculture announced its program to support flaxseed for the 1947 crop at $6.00 per bu. It was not so very long ago that $2.00 seemed like a very good price, but in order to encourage production there will now be loans to producers and contracts with processors, who agree to pay farmers not less than applicable support price, and lastly, the CCC purchases of flaxseed if it becomes necessary to assure producers of receiving the full support price.

With news of this kind, plus the fact that CCC will support the price of turkeys, it is not surprising that the trade should be rather bullish on other agricultural products, particularly basic commodities that bear a loan of 90% of parity value. However, we do find that sudden changes are announced from time to time, and late yesterday the government cut the export subsidy rate on American cotton from 4 to 2¢ a pound. This cut was announced by the Department of Agriculture, which explained that a growing shortage of funds made it necessary. In other words, the Department has spent about $23 million on export subsidies since last August, and very likely there will be a sharp reduction in our clearances due to this change. Nevertheless, wheat prices after hesitating for a few minutes around the opening gained further ground, and made new seasonal highs, possibly for the reason that Britain is getting further allocations for flour from the Pacific Coast. There also seemed to be some covering of hedges by mills, possibly against this business. It also looks as though further large orders were being filled by the CCC for the shipment of corn, and we heard this morning that they raised their price at the Gulf by about 1 1/4¢ per bu. In any case, they seem to be getting very large quantities, and it is our opinion that before long they may reach their goal. However, buying of futures was a factor, although the movement from the country is also quite large, and should the government's buying let up for a time it might make quite a difference.

Weather has turned quite mild, but no rains have occurred, and none are in sight. However, figures for the last three months, namely:- November, December and January show that soil conditions generally are favorable. For example, the precipitation for Nebraska during that period is 132% of normal, Kansas 129%, Oklahoma 171%, Texas 139%, Washington 107%, Illinois 130%, Indiana 119%, and Ohio 120% of normal. We admit that it has been a little dry during the past thirty days, and as a result topsoil is blowing, but as the Department of Agriculture points out, while it is worth keeping an eye on the situation there seems to be no threat of an immediate return of dust bowl conditions. A little of the dust, the lighter, finer particles, sifted as far as Louisiana, Alabama, and Tennessee. The blowing damage so far has been more of a local nature, although severe enough in places to damage wheat in fields in the line of blowing.

In Europe, temperatures have risen a little, but the forecast was not for general relief. Predictions in Britain are for bad weather for the next few days, which, of course, is all the more accentuated by the fuel shortage, and many smaller towns have not yet dug themselves out from the heavy snows. In Berlin, the temperature climbed to 19 degrees; but there were no signs of a thawing, and it was reported that 800,000 workers in the American Occupation Zone of Germany were thrown idle by the closing down of commercial plants due to coal shortage.

Primary receipts of wheat amounted to 1,538,000 bu compared with 1,476,000 bu last week, and 660,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 392,000 bu. When the visible supply is posted on Monday the shrinkage should not be heavy. It will compare with a decrease last year of 5 3/4 million bu.

There was a very strong undertone to all markets. At times, selling came into the wheat pit and caused reactions but there was no pronounced weakness and the market had remarkable recuperative power. The deferred futures, however, lagged again and most of the strength was in March and in May. This was somewhat surprising in view of the weakness in cash premiums Northwest and a slightly lower premium basis Southwest. Oat prices were higher but there was no spirited buying and we believe that had it not been for the pronounced strength in wheat and in corn that it might have been a different story.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 17, 1947.

We have contended for a long time that the strength in cash markets was due primarily to tremendous demands from Europe, and while there must have been other factors, such as an occasional dust storm, it was the prospect of a moderately small carryover that has been mainly responsible for the firmness in nearby positions. Saturday, however, was the first time that there was a really marked swing toward any readjustment between cash and futures. Everyone has known for a long time that a premium of about 20¢ per bu over the May futures in various markets was only temporary and that by next May the two would have to come much closer together. But there has been some speculation as to whether this would be adjusted by cash wheat breaking or futures advancing.

The Office of Foreign Agricultural Relations now claims that severely cold weather in Europe has damaged fall sowings, and that there must be an undetermined amount of reseeding, which will further increase the demand for the exportable supplies of wheat. We have seen all kinds of reports, the most pessimistic being last Saturday when some newspapers reported that Belgium's wheat crop was destroyed by freezing to the extent of 75 to 90%. The chances are when growing weather sets in that this will be found to be an over-statement, but in any case winter killing has been much more of a factor than in normal times. On the other hand the 1946-47 world rice crop is now estimated at about 200 million bu larger than was indicated last fall, and this in turn has eased the food situation somewhat in the Far East and has resulted in larger collections of grains than had beenanticipated earlier. One of the reasons for the extreme nervousness in Europe is the fact that immediate food supplies are short. Snow and ice has disrupted traffic by waterways, and it has even hampered rail and road transport. As a result supplies of food in many urban areas have fallen to critically low levels, but a return of better weather should permit more equitable distribution of available supplies, although the over-all food situation will probably remain tight. We find that fromAugust 1st to February 7th total clearances of wheat and flour from Canada, the United States, Argentina, and Australia have amounted to only 307 million bu compared with 468 million bu for the same period last year, or a reduction of 161 million bu.

While conditions in India are far from optimistic with respect to food, nevertheless, there has been a slight improvement. A big rice crop was harvested, which has raised public confidence in Bengal, Madras, and the rest of Southern India. The anxiety of the Indian Food Department is now centered on the wheat which will be necessary to sustain rations until the spring crop is marketed next May. That country has recently been taking a fair amount of milo maize from this country, which apparently isbeing utilized for human consumption.

When our market opened this morning, the carryover feeling from Saturday was quite bullish. However, there were some selling orders in the pit, apparently a number of people who wanted to realize and who were unable to do so during Saturday's short session. The map suggested that by Tuesday night moisture might develop over western portions of Kansas, and while there is no indication yet of a definite break-up, such moisture might move Eastward, and at least will be beneficial. Topsoil in many districts has been loose and was blowing but subsoil conditions are still reported satisfactory almost universally.

When the visible supply of wheat was posted, there was an increase of 461,000 bu, bringing the total to 38,382,000 bu, or about 13 million bu less than a year ago. Chicago stocks increased slightly to 731,000 bu. There was a decrease in the corn visible of more than a million bu, reducing stocks to 29 million bu, compared with 21 million bu last year.

After some hesitation, the wheat market encountered further short covering and it seems that in spite of rather large receipts both Northwest and Southwest that there has been sufficient buying to prevent any sharp break in premium basis. Ordinary #1 hard wheat at Kansas City sold at about $2.29 per bu, or still a fair premium over all March. The spread between May and July widened again, but still we are not in sympathy with this big difference although the new crop futures are influenced by good crop prospects and the belief that even if the demand from abroad is maintained, that it will be easier later on to fill these commitments.

Corn became quite strong but there was no special feature although CCC Gulf prices were advanced fractionally. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 18, 1947.

There can be little doubt that high prices in wheat are due to the aggressive buying of wheat and flour by the government in an effort to take care of the deficit countries of Europe and Asia. When we started the season it had been planned to export about 250 million bu wheat and flour, and possibly 17 million bu from the previous crop, but gradually the sights have been raised, and it is now apparent that United States will furnish about half the world shipments for the current season.

To illustrate how commodity prices have risen since 1940, we need only look at a chart prepared by the Federal Reserve Bank of Chicago, showing that #2 hard winter wheat at that time selling at 92¢ sold in 1946 at $1.92, and, of course, is now even higher. #3 yellow corn, which was selling for 63¢ in 1940 sold at $1.50 in 1946, while hogs, which were bringing $5.71 in 1940, sold up to $18.40 during 1946. We could enumerate many other specific items, but rather than do this we take all prices received by farmers, and by using the 5-year pre-war average index as 100, this report shows that total farm receipts in 1940 were 93% of that base period, while last year they had risen to 218%. The prices paid by farmers during six years rose from 98% to 152%, while the wholesale price of all commodities increased from 98% to 149%. Thus, there is no secret in stating that farmers have done better relatively than anyone else. Prior to World War II the best farm year was 1919, when their net income amounted to about $9 1/4 billion. The agricultural balance sheet, including resources applicable to the growing of farm crops and the raising of livestock, totaled nearly $102 billion at the beginning of 1946. More than half of all the assets owned by farmers was in real estate, while in 1940 farm land accounted for almost two-thirds of all assets. Land values had risen to such an extent that by November 1st of last year, the value of farm real estate had risen until it was within 11% of the 1920 high. There are a good many forecasters who, despite persistent foreign demand and short supplies in many countries, are looking for lower prices maybe as early as the latter part of 1947. These are being predicted officially and unofficially, according to the National Industrial Conference Board, which likewise takes a somewhat bearish attitude, claiming that the American farm prosperity hit its peak last year, and says that lower prices are now in prospect.

When our market opened this morning, the map was quite favorable for moderate precipitation in western and central sections of Kansas, and in fact, during the session some reports were received claiming light snows in some of those territories. Also, it was announced that the Commodity Credit Corporation had withdrawn from the corn market both at Chicago and Kansas City, but despite this news, the yellow cereal was heavily accumulated by a commission house, although after these buying operations were satisfied, there were some reactions.

Late yesterday the Trade Minister in Ottawa announced that the price of wheat for domestic consumption was raised from $1.25 to $1.55 per bu, but it was also stressed that ceiling prices on flour bread, mill feeds, and other products were not affected, and apparently the government will make wheat available to millers at appropriate prices in order to maintain ceiling restrictions. It does not appear as though this change would in any way affect world prices for wheat. Meanwhile, the flour demand from the U.S.A. continues high, and PMA today raised its buying price 10¢ per CWT.

Primary receipts are holding up well, and often do not run much over 500,000 bu per day during February, but they amounted to 1,811,000 bu today. This compares with 1,732,000 bu last week, and 915,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 40,000 bu.

Trade in wheat today was much more moderate than yesterday, and the main feature was buying and covering of the deferred futures, which for the first time in several days gained ground as compared with the May. Up to now it has been very popular to sell September wheat short against almost anything else, but with this future selling under the probable loan we do not see the wisdom of making that type of spread.

Temperatures will probably be somewhat lower, but have been preceded in some sections by moisture.

It was also relatively quiet in corn and in oats, but some support appeared on reactions.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 19, 1947.

It seems paradoxical that with a hungry world clamoring for supplies and trying to get every ounce of bread either in the form of wheat or flour from this country, as well as large quantities of other grains, that now should be the time to discuss the small percentage of wheat that the United States will furnish toward world shipments starting next August. We appreciate that any discussion of a proposed international wheat agreement will not in any way constitute an agreement nor bind any government at this early stage. We also realize that it is quite proper to revise the tentative draft that was drawn up in 1942 because of changing conditions, but we doubt whether post-war conditions will be rectified quickly enough to permit an accurate study at this time as to how much wheat should be furnished by each of the important exporting nations, including ourselves, nor do we think that the time has arrived yet when Belgium, Brazil, China, Denmark, France, India, Italy, The Netherlands, and the United Kingdom can state with any degree of accuracy what their situation will be next summer, and how much they are apt to require by way of imports. As a matter of fact, any other country with a substantial interest in international wheat trade may participate in the agreements, but for the time being there will apparently be four principal wheat exporters and six importers trying to solve various controversies pertaining to price, limitation of shipments, and many other factors not easily decided so far in advance. Of course, there would also be escape clauses, but on basis of what we have learned from past experience, we would say that previous agreements of this kind have hardly been worth the paper they were written on. We recall that Argentina did not live up to her decision to stay within the bounds that had been prescribed for exports. Furthermore we are not satisfied in ourown minds that if Argentina is initially permitted to furnish 25% of the shipments, Australia 19%, and Canada 40%, we should be satisfied to accept only 16%, with some allowances to be made later for smaller exporters.

It is hoped that an Executive Committee can iron out minor difficulties and can determine and adjust equivalents to basic prices and carry out functions delegated to it by the Council. Likewise, an Advisory Committee has been suggested to advise the Council regarding price, stocks, export programs, import needs, and similar matters. The whole thing sounds too complicated to work out, and we doubt whether it will ever replace the present marketing machinery with any degree of efficiency. There are too many varied interests to satisfy, but in the meantime it looks as though there would be many drafts prepared in an effort to work out something of a final program.

When our market opened this morning it was influenced by weather, and not much moisture had been reported over the Southwest. There was some snow at Sterling, Colorado, but Kansas remains somewhat unrelieved in many districts, and this may have been one of the reasons for a covering movement in the new-crop futures. However, it has also been considered that July and September wheat are far too cheap compared with old-crop positions, and there seems to be little reason to expect that the flow of exports will be halted on June 30th, regardless of what is being planned, now by way of an international agreement. We feel sure that even with satisfactory crops in Europe, it will take some time yet to build up reserves. Thus we are inclined to look for further narrowing as time goes on.

Primary receipts of wheat amounted to about 277,000 bu; there was a holiday last week, and a year ago they were only 729,000 bu. Kansas City and Minneapolis stocks so far this week show a net increase of 52,000 bu.

It was quite apparent right from the start that July and September wheat were headed for higher levels, and as far as we can see there must still be a large short interest in these new-crop futures, and will continue to be until the 1947 harvest is anticipated and we get some hedges. On the other hand, there are some arbitrage transactions, but apparently enough unwinding to narrow the difference a few cents between May and July; likewise, between May and September. On the advance new buyers were apparently hesitant, and with new crop futures close to the $2.00 level there will, of course, be periods when we shall have reactions. The same now refers to May wheat, and it is our guess that the short interest must have been considerably reduced, but still cash people remain predominantly long until they can catch up on purchases of cash wheat.

There was not much feature to corn or oats, but some reactions

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Feb. 20, 1947.

There was some unexpected moisture overnight. It was confined to southwestern areas and was mostly in the form of snow. Precipitation was not heavy but at least there is the possibility, and hope that we shall get more in the western sections of Kansas and western sections of Nebraska overnight. Coming at this time, just before the period when crop scares so often start, it should, of course, prevent topsoil from blowing, at least in those few districts where there has been relief. A good, general soaking would allay further apprehension for some time, particularly as subsoil moisture is still excellent. Despite this news, the deferred futures were again the strongest, not so much because of any immediate fears of winter killing or abandonment, but rather because the July and September futures have been underpriced as compared with May. We have felt for a long time, and have so expressed ourselves, that with July wheat selling far below the loan level, as it did, there was no great comfort in being bearish. Too many producers take advantage of the government's generosity, and we are convinced that the impoundings would be very heavy if prices were anywhere from 5 to 10¢ below next season's loan level. Nobody can be sure at this juncturejust what that price will be, but it does not appear as though parity would break appreciably between now and end of June.

There are still a number of economists, and some very good ones, who are forecasting drastic reductions in farm prices. Just a few days ago the Christian Science Monitor quoted Dr. John D. Black of Harvard, one of the leading farm economists of the country, as follows: "Farm prices always decline more than others. If other prices decrease 15%, farm prices can go down 40% and still stand at 90% of parity, because they are now 30% above that figure ....The real break in farm prices, however, will not come until it begins to be fairly well known what the 1947 crop willbe. That will start to show itself early in August. If the crop is abundant, a substantial drop in food prices will result."

With firmness of new-crop futures it was rather difficult for May wheat to pull itself completely away from that influence. However, there seems to be a gradual readjustment between cash wheat and the March and May deliveries in the various markets, and it is a foregone conclusion that finally cash wheat prices will sell pretty close to the May delivery, just as cash wheat and the March have come together now. From this point forward nobody can tell whether the cash wheat will break or whether the futures will advance as much will depent on government activity in the flour market, and prospects of a fairly comfortable carryover as we draw closer to the end of the season. Based on export shipments of 325 million bu, it still appears as though our reserve on June 30th should be in the neighborhood of 140 million bu.

Corn prices were rather firm and hog values today reached $27.50, equalling the all-time record established last October, shortly after price decontrol. There are some who believe that the spring pig report will follow a substantial increase over earlier expectations, but it must also be remembered that it will take time before this is felt. The Chicago corn-hog ratio was 17.7, a slight reduction from last week but compared with 12.5 a year ago. The feedstuffs market in Chicago has been somewhat lower during the past week, reflecting sharp reductions in price of gluten feed, brewers' and distillers' dried grains; soybean meal declined further, but linseed meal held steady while the demand for proteins and dried grains showed definite signs of slackening. Stocks of most feedstuffs are reported moderate but ample to meet present demands.

Primary receipts of wheat amounted to 1,359,000 bu compared with 2,413,000 bu last week, and 900,000 bu last year. Kansas City and Minneapolis stocks so far this week show practically no net change.

Markets were extremely erratic and after some reactions May wheat staged a 9 1/2¢ advance, but lost most of it to close unchanged. Stop-loss orders were uncovered on the way up, but after a new high on the crop was reached of $2.31 per bu for May wheat, there were advices from Washington to the effect that the government buying might taper off around end of April, and that possibly they had about finished their purchases of wheat. Also, that the monthly export goal of 1 1/2 million tons was not being met. This all had bearish implications, but the information is not official.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

February 21, 1947.

A great many questions were asked after the close of the market yesterday why we had an advance of nearly 10¢ per bu in wheat, followed by a decline of almost a like amount. It is our firm belief that if the government would take the grain trade a little bit into its confidence, or if the actual export figures were given accurately and regularly the way they were before the war, there would not be the severe fluctuations. After all, it is mostly the quantity of wheat that will finally leave these shores that is the determining factor in setting prices. We admit that other considerations will play their part, and certainly the weather will become more important from this time onward. However, we have been given the estimate of domestic consumption, amounting to nearly 800 million bu, and there is lieel reason to expect important changes except possibly the estimate of 180 million bu for feed, but even that is fairly well established. However, since our reserve stocks of June 30th will be considerably less than the large reserves of recent years, naturally 50 million bu one way or the other will be very important. It was thought possible that we would have some data out of Washington this morning with respect to procurements, allocations, stocks of CCC wheat on hand, but apparently heavy snows in the East prevented the Government offices from functioning normally.

We still have to accept Sanford Evans' figures on clearances until such time as we are given official data, but it appears as though 182 million bu wheat and flour had been shipped in thirty-two weeks of the crop year, and on that basis it would still leave 143 million bu to export between now and July 1st, if the government's goal of 325 millionbu is to be fulfilled. Of course, a good percentage of this would be sent abroad in the form of flour. It is our own view that Commodity Credit Corporation will not have to buy very much more wheat on this crop, but yet they were quoted in one of the newspapers as requiring 116 million bu from February through June 30th, and it was stated that of this quantity 69 million bu had already been purchased on February 1st. That would leave 47 million bu still to be bought, and most of that wheat would be purchased principally in the spring wheat areas, according to the Eastern dispatch.

We believe that this may have had a little bullish influence on the market today early, but until we can get something more concrete, it is rather difficult for us to come to any definite conclusions. As far as Canada is concerned, her program has been continuing at a very slow rate, and in twenty-eight weeks only 116.8 million bu has been shipped. This still leaves nearly 200 million bu available for export and next carryover. When our market opened this morning there was also a little disappointment that the moisture that had been forecast for the West had not materialized. Apparently there are many territories still complaining of topsoil dryness, and already this is delaying field work in some of the early States like Oklahoma. However, considerable seeding was accomplished in some localities where soil moisture condition was favorable, and actually some seeding was done in the dry soils, but rain is needed over a large part of that state. Ithas been nearly four weeks now that they have gone without any appreciable precipitation, but generally at this time of year, the plant does not suffer. All of this added together means that we have to have some good rains before long. It seems too bad that the storms that are now being experienced in the East had not covered those areas that are in such temporary distress, and we understand that some of the schools in Washington, nearby Maryland, and Virginia areas were closed, with service on suburban bus lines disrupted due to the heavy snows.

Primary receipts are running quite heavy for this season of the year; they amounted to 1,725,000 bu compared with 1,538,000 last week, and a holiday last year. Kansas City and Minneapolis stocks so far this week show a net increase of 89,000. When the visible supply is posted on Monday it will compare with last year's shrinkage of 4 1/4 million bu.

It seems an official of the CCC on being interviewed stated the wheat situation is a muddle, and as far as he was concerned he could not state definitely when the Corporation would reenter the market and resume purchases. This seems to be the basic trouble; they cannot make up their mind as to what they want and how far they should go with respect to exports. We recall that right after Thanksgiving it was pretty definitely stated that practically all of the wheat had

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 24, 1947.

There was some confusion in the reports coming from Washington the latter part of last week, and we are not too sure that everything has been clarified since that time, although a pparently the government has learned that when they bought wheat and at the same time tried to buy flour from mills, it was extremely difficult to get large commitments for the reason that the mills have to protect their interests, and when they find government competition in trying to secure grain, it naturally has made it difficult for them to operate. As we understand it the Commodity Credit Corporation will stay out of the market for the purchase of wheat, claiming that high prices have discouraged their operations. In addition to this, they have procured supplies to cover their original goal of 400 million bu grain and grain products, of which wheat and flour would comprise the largest part thereof, roughly, 265 million bu. At the same time there seems to be less reluctance about paying high prices for flour, and for the time being we believe that officials will devote most of their efforts in securing the finished product rather than by further boosting wheat prices, as no doubt they would if they re-entered the market at this time. In the final analysis it should make no difference in the total disappearance, although CCC's aggressive buying has generally stirred up the futures market to a greater extent than where flour was procured.

Before our market opened this morning, the Southwest weather was carefully studied, and there had been a little moisture, but really not enough to be considered an important factor, and with this situation some people are becoming a little alarmed, figuring that winds, which often occur in March, might cause topsoil to blow, although we do not imagine that it makes a great deal of difference whether the moisture is had now or ten days hence, except that if there were some snows at this time it would allay any apprehensive feeling on that subject. There was also another factor: namely, the great strength in the hog market, with a new all-time record high being paid, and as the session progressed the top price mounted to $29, which is very extraordinary, but naturally this was an influence on the corn market. Besides that CCC is going to continue purchases of corn, and in fact, will even try to induce some of the foreign claimants to take corn in preference to wheat because of the price relationship, but nobody can tell for sure whether they will be successful in these arguments. Beginning March 1st, brewers may use unlimited quantities of grain and grain products other than wheat, rice, and the products of those cereals in the manufacture of spirits. This was also construed somewhat bullish on corn, which since December 1st has been partially prohibited for brewers use. This is one more step toward more normal usage of this grain. Ex-President Hoover returned from Europe after having surveyed the food conditions, and he told reporters, "This is the worst period in Europe in twenty-five years-- and that applies to the British, too." We also understand that Secretary Anderson is reportedly scheduled to go to Europe in March for a firsthand survey of the needs for food.

Primary receipts of wheat were 3,882,000 bu compared with 2,727,000 bu last week, and 3,287,000 bu last year. When the visible supply of wheat was posted there was a shrinkage of 1 3/4 million bu, reducing total stocks to 36.6 million bu, which is about 10 1/2 million bu smaller than a year ago. Chicago stocks of wheat increased slightly to a total of 752,000 bu. There is nearly 7 million bu of corn here in Chicago, and 1 1/4 million bu of oats.

Markets were quite strong right from thestart. However, the pattern was a little bit different from heretofore, in that coarse grains assumed leadership, and this was particularly true of corn. We understand that in the country where boxcars are still extremely scarce that a fair amount of corn is going into the loan on farms; this is happening in many cases where farmers would prefer to ship, but local elevators just cannot get the equipment, and therefore, the corn is being turned down. In any case, with the great strength in the hog market corn prices went into new high ground for the present turn.

In today's session the deferred wheat futures were the strongest while a week ago today the difference between May and July wheat widened to 31 1/2¢ it closed today at a differential of 18 1/2¢. One of the eastern agencies, reporting on Washington conditions, said that the government did not have to buy any more wheat from the old crop, but that they would acquire more eventually from the new crop in late May or June. This we believe was a contributing factor in causing shorts of both July and September to cover, while the demand for May was on a less aggressive scale, although all futures finally closed considerably higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 25, 1947.

Ex-President Hoover has been silent thus far on his findings concerning the European food survey, after making a 6,000-mile trip and inquiring into the food needs for President Truman. He declined to make any statement when he disembarked at Mitchell Field, Long Island. However, he will remain in Washington for several days to write his report, and will probably take it to President Truman personally either tomorrow or Thursday. In the meantime we know that conditions in Europe are very bad. This has to do with not only immediate needs, but likewise recent cold weather continues to cause anxiety over the possibility of crop damage wherever the snow covering is light or non-existent. Up to now Germany, France, and Italy have been the main countries to complain. Not much has been said about the United Kingdom, despite cold weather, possibly for the reason that they have had such heavy snow covering,-- about the best in half a century; consequently, no serious winter killing is to be expected. We have always felt that while snow protection was essential to keep down the percentage of abandonment, probably of greater importance was damage arising from alternate freezing and thawing. At least to that extent conditions here at home cannot be regarded as serious. There is, however, need for moisture to take care of topsoil dryness, and there seems to have been very little precipitation overnight, except one or two inches of snow reported generally in the Amarillo, Texas, area, which is the center of the Panhandle. Elsewhere, a few flurries here and there could not be regarded as real relief. We doubt, however, whether the strength in new-crop futures was due to any fears that the crop deterioration was the important item just now,-- rather anxiety that when the new crop does start to move, it will immediately go into consumptive channels, particularly if European relief measures are carried on as is now suggested by various agencies in Washington. There will probably be something more definite on this subject within the next day or two.

Meanwhile CCC is not buying any wheat of consequence, and in the past week they purchased only 377,000 bu and the bulk of it was at Portland, Oregon, where purchases amounted to 336,000 bu. The total quantities acquired since September 9th to the present time are 93.2 million bu. In this quantity Kansas City has been the largest factor with 59 million bu bought in that area, Minneapolis 8.6 million bu, Chicago 8.8 million bu, Portland 16.7 million bu. Since the corn program has started, total purchases have amounted to 49.7 million bu, and this figure is considerably ahead of schedule. However, with every indication that the CCC will try to push corn in preference to wheat, it has advertised to the public that they brought about sufficient enhancement in price for the leading cereal and that very likely the same is going to occur in corn. The advices are not stated just that way, but certainly the inference is quite definite. For the moment the local office of the CCC is out of the corn market, and apparently they claim they will remain out until further notice. Possibly they feel assured of being able to get corn, and are already ahead of their goal so that there is no necessity for hastening operations, and undoubtedly they hope that the market may recede to some extent.

Primary receipts of wheat amounted to 1,433,000 bu compared with 1,811,000 bu last week, and 920,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 211,000 bu.

There was firmness for the first three hours; the hog market was again very strong, and new high prices were established at $30. This had a bullish influence on corn, and even though the government is temporarily out of the market here and at Kansas City some in the trade believe that vast quantities may still be bought. We have grave doubts whether the amounts will be so vast. It is our opinion that if the CCC would confide in the trade and let them know how much was really wanted we would have less excitement and turmoil marketwise. In the last half hour of trade after shorts had covered pretty freely there were some realizing sales, and the market reacted from the best figures established early. On the way down stop-loss orders were uncovered. July wheat broke 6 to 7¢ from the best figures of the day.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 February 26, 1947.

After the close of the market yesterday April export allocations were released by the Department of Agriculture, indicating nearly 58 million bu all grains, including flour to be shipped for that month. At the same time it was stated that there was some doubt as to whether this entire quantity could be physically handled during that period, and it is our own view that with the goals not being completely met, the carryover finally will be somewhat larger than anticipated. There were other interesting factors in this report: namely, that during May and June no wheat would be allocated but that the emphasis would be placed on flour. However, it is expected that later on sales will be permitted for new-crop positions, and thus the program will extend beyond the border of the present crop year, and leads us to think that the spread between May and July will narrow further. However, in calculations such as these one has to be always on the defensive, for the reason that the government often changes its mind. This might come very suddenly, particularly since ex-President Hoover's report will probably be issued late this afternoon. Should it be of a very bullish character, as we believe is likely, there might be some revisions calling for heavier shipments if possible from the old crop.

Thus the spread between May and July was very little influenced when our market opened. Prices were steady, but on further short-covering we had a sharp advance in the early minutes of trade. It is figured that during May and June export emphasis will be principally on corn and other grains. Of course, flour exports will continue, but no 1946 crop wheat allocations are contemplated during that period. However, the Department states that this will depend somewhat upon final reappraisal of the wheat supply situation. While it is expected that a rather large volume of the allocations of flour, corn, and other grains will be handled directly through commercial trade channels, the Department's purchases of these commodities will be continued to complete its proportion of the total. It is now claimed that the Department's purchases of 1946 crop wheat needed to meet the 1946-47 exports have been virtually completed. Since July 1st they have bought approximately 153 million bu wheat for export. This is in addition to 30 million bu owned by the Department on June 30th of last year.

There was nothing in the overnight weather to indicate any important changes. A few light snow flurries were reported here and there, but no real relief. On the other hand temperatures were not severe Southwest, and the lowest we observed was 10 degrees above zero at Great Bend, Kans. Therefore, it is not likely that the plant is suffering, although precipitation at this time would be very helpful coming before the growing season, and in the meantime would serve as protective covering. As the government weekly report points out, topsoil in sections of the Southern Great Plains and Southern Rocky Mountain Region is unfavorably dry. Some attention was paid to a statement from the Bureau of Agricultural Economics, which said that wheat prices are not likely to exceed $2.50 per bu this spring. On questioning, however, the experts did not intimate that they expect the price to reach that figure, and in fact, one spokesman thought that there would be a reaction to high prices before that level was attained. However, this further helped to agitate the trade, and we had rather nervous fluctuations, although that was to be expected at the present high level of price. While stocks of wheat at Chicago are rather small, we observe that Kansas City futures have been widening, and in some cases represent nearly a shipping difference under us. Likewise, Minneapolis futures have been losing ground as compared with Chicago, so that we may import some wheat from other markets before the end of the season.

Primary receipts of wheat were slightly over one million bu, compared with 1,277,000 bu last week, and 763,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 32,000 bu.

The main strength today was in corn; that cereal was independently strong, possibly influenced by a larger business with distillers since restrictions were taken off. Finally this had an influence on oats in firming that market. Wheat was not weak for too long a period, although the deferred futures were under some pressure at times on prospects of moisture. Late in the session a few snows were reported in western Kansas.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

February 27, 1947.

The carryover feeling from yesterday was somewhat bullish. A good many people in the trade who have been watching European conditions are of the opinion that when Mr. Hoover reports on the food situation, it is bound to be extremely bullish. We have no doubt on that score, but, of course, it is nothing new simply because it is reported over and over again. The weekly bulletins that we receive from Broomhall's Liverpool office report promptly and accurately on conditions, and we believe that this authority has such a general coverage on European matters, with various correspondents on the Continent that the trade has been well advised and prepared for what will probably now be reported officially. It would be futile to belittle the hardships that are taking place in these devastated countries, but on the other hand the experience of last year when supplies in many cases came too late has prompted some of the nations to possibly ask for more than they need. This will probably be the case, despite a shortage of American dollars, as long as credits are available, and until agriculture is back to a more normal status abroad. In any case the possibility that ex-President Hoover's report might stir up the Agricultural Department to ship heavier quantities or to allocate more was very likely responsible for higher quotations when our market opened.

Little attention was paid to the observations of map readers who considered it quite likely that snows would develop over western sections of Kansas and western sections of Oklahoma by tomorrow. However, more attention was paid later in the session to actual reports of snows in eastern parts of Colorado, with 6 to 7 inches reported falling at Eads, Colorado. Also in the same state the town of Springfield experienced 5 inches. There was nothing further, however, in many of the other localities where we maintain wire advices, but by tomorrow there may be more general relief in those western sections just indicated.

The corn market was also very strong, and this cereal very often has a trend all its own in that fluctuations go in one direction until very suddenly the situation is discounted and then we have a reversal. This much, however, can be said --that the distillers who are now able to buy corn for brewing purposes are going to find competition with government purchases even though the latter is not much of a factor for the moment. As near as we can tell CCC operations here and at Kansas City are completely inactive with the exception of a few small amounts that are being picked up on occasions. However, with present allocations, it appears as though the government and private trade together would buy at the rate of 20 million bu monthly, and, of course, this is bound to be felt by commercial users when they come into the market for their supplies. Thus, it is not likely that any sharp breaks will be experienced for the moment, but just what price discounts the present situation is rather difficult to tell. The hog market, which recently reached a high of $30 was inclined to be a little reactionary, with choice hogs bringing about $28.50 to $28.90, and a trifle higher for the top of the market. The Chicago corn-hog ratio stands at 18.4. This compares with 17.7 last week and 12.5 a year ago. Under these circumstances one would naturally expect a rather optimistic spring pig report with respect to farrowing. On the other hand some farmers who are presently able to obtain a good price for their corn might be a little skeptical that by the time young pigs are ready for market, the feeding ratio will be less favorable, In the meantime, we are convinced that despite exports, which will undoubtedly be heavy, our carryover reserve of corn at the end of the season will be much larger than last year.

Primary receipts of wheat amounted to 1,322,000 bu compared with 1,359,000 bu last week, and 1,032,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 3,000 bu.

Statistics did not count for much, but markets were nervous, and the great strength in corn naturally affected other grains, with May wheat at one time advancing sharply, and as much as 4¢ on very small volume. Cash markets both Northwest and Southwest showed a firm undertone, and the basis at Kansas City was probably 1 to 1 1/2¢ higher. The deferred futures of wheat met some pressure and realizing on the possibility of moisture. This finally took the edge off of old-crop positions, which reacted from the best figures reached earlier in the session.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Feb. 28, 1947.

There have been many times in history when high agricultural prices have spelled great prosperity for our country. At the present time, however, the inflation flurry, which is occurring rather generally, is regarded as a disturbing and not a corrective factor. Commodity prices in general for wholesale goods are about 87% above the 1939 level. Non-farm products taken collectively are up about 58% but farm products for the last week for which we have an index figure, have risen 159% above 1939. There are, of course, many reasons for the increase, despite the fact that we have raised tremendous crops in this country. It always happens that when there are prosperous times people eat better and want the finer foods that they cannot afford during depressions. Nevertheless, with the wheat supply at the beginning of the season about 1,257 million bu, and a disappearance of only about 790 million bu, we never in the world could have had present levels except for the fact that our exports are geared to the capacity that we can get grain to the seaboard. Whenever the government has seen any surplus grain, whether it was wheat, flour, oats, or corn, it was immediately shipped out of terminal markets for European or Asiatic destinations. Some months ago they were looking ahead toward export business in oats, the moment lake navigation opened, and, of course, we might have shipped even larger quantities of our agricultural products had there not been the scarcity of boxcars. Thus whatever is happening now, and has been reflected earlier in cash markets, should not come entirely as a surprise, although the impact was not immediately felt because prices were held down to some extent by speculators who sold short, and who believed that former high levels more than discounted the situation. We do not remember a time in history when July and September wheat before the movement of a crop sold at $2.10 to $2.15 per bu.

However, the Hoover report is now urging us to spend $475 million to feed Germans. The ex-President points out that entirely aside from any humanitarian feelings for this mass of people, if we want peace and if we want to preserve the safety and health of our Army of Occupation, and if we want to save the expense of even larger military forces to preserve order, there is probably no other course but to assume the burdens that have just been outlined. He further stated that it is something new in human history for the conqueror to undertake. Apparently he discovered a more serious situation than anyone has known for the past 150 years. Railroads are still disorganized, everybody is cold, and where frozen canals and rivers do not permit shipments of coal even by barge, the whole system of distribution has been disrupted. Summed up, it is pretty grim.

All this inflamed the public, and while it has been known for a long time that we would probably have to continue the shipment of grain beyond the present crop season, there was considerable buying and short-covering of all wheat futures this morning. The same was true of corn, which cereal has displayed a tremendously strong undertone in recent days, because of the fact that more attention is now being focused on this yellow cereal than on wheat. Apparently, the country is not selling much wheat, and there has been little pressure despite the great advance. Of course, the movement from first hands since last December has been very large, and the fact that we were willing to ship to the limit of our ability has been no secret. The only offset today was the wonderful moisture that was reported rather generally in the Southwest. Snowfall ranging up to 4 inches was scattered over Kansas and in parts of Oklahoma, extending also into Missouri. This all had a slight influence on the deferred futures at the opening, but later on the tremendous strength in March and May wheat was difficult to overcome.

Statistics did not count for much today. There was again great strength in cash markets, both Northwest and Southwest. This was responsible for March wheat in Kansas City and here advancing the full 10¢ limit, and the result was that the other futures went up in sympathy. In fact, even oats which had been lagging for a few days came to life, and there was a tremendous short covering in the March delivery presumably for eastern account. Corn prices were also very much higher.

As we have previously stated, with exports of about 20 million bu per month we find it difficult to conclude what the price trend will be from this point onward.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 3, 1947.

In normal times we have no difficulty in knowing what the world price of wheat is, and in most cases Liverpool has been a barometer of what the importing world was willing to pay. Anything that happened in Argentina or in Australia was quickly reflected, as demand is so sensitive that it naturally heeds dust storms, rain, or any climatic change of importance. If someone were to ask us at the present time what the world price of wheat is, we would hesitate for a long time, and finally would have to admit that there is no answer. For example, in Canada the Canadian government is in complete control. They pay the farmer $1.35 per bu with the promise that there may be a bonus later on if everything works out well. This wheat is sold on basis of $1.55 at Ft. William when it is destined for England, but for the same wheat all others must pay $2.74. The latter price was just raised, probably in sympathy with the sharp advances that have occurred on this side of the international border. In Argentina there is just as much confusion, because price is held down as far as the producer is concerned, presumably to prevent inflation, and the Government gets whatever it can when it is sold to consumers. We don't know exactly what the Australian government is doing with respect to its affairs, but it is something the same where they have a certain guaranteed price for the authorized quantity which is raised, and anything beyond a certain quota comes under a lesser guarantee, but in any case the wheat is sold for much more money. Finally there are some settlements, but it seems that great complications have arisen, and this, of course, makes the importing world anxious to get supplies wherever they are obtainable and for almost any price that is asked.

We doubt very much whether the sharp increases over here have really lessened the European demand, although we understand that, today, PMA, which had been on the verge of buying, decided to wait until the market became more settled. With such confusion and every country trying to do something different, it is only natural that fluctuations even in organized markets should be wild. As we have mentioned so often before it is almost necessary to have billion-bu crops to take care of current requirements. Some day, if the production increases to a point at which we have world's surpluses again, we do not know what all these countries will do with respect to their problems, although for another year and a half at least we are committed in this country to a loan, which is based on the parity concept, and which in our opinion is one of the great inflationary dangers of the age. It is like a snowball that gains momentum as it rolls along, and since a good many farmers buy their feed, higher prices are reflected in the monthly computations, and we have seen that ever since the idea was conceived that prices have gone up steadily to a point at which now if the loan were established, it would be on basis of nearly $2 at Chicago. Thus it might result in a situation that would demand another step-up in wages, and in our opinion it is very doubtful whether the inflation cycle can take another full turn without cracking in the process. The difficulty is that whenever we have disparities in certain price groups, normal relationships are badly upset. Even within price groups individual items are far out of line with other items. The further it goes, the greater the trouble becomes, and thus even though we are doing a noble job in supplying hungry mouths, we are also creating secondary consequences, which may have very far-reaching effects.

Primary receipts of wheat were 1,962,000 bu compared with 3,882,000 bu last week, which was a two-day holiday, and 2,071,000 bu last year. When the visible supply of wheat was posted there was a decrease of 751,000 bu; this reduced total stocks to 35.8 million bu, which compares with 43.7 million bu same period a year ago. Chicago wheat stocks decreased slightly to 726,000 bu. However, on today's market we were practically on a shipping difference, not only from our own Northwest, but also from the Pacific Northwest, although we do not know just exactly how much wheat might have been worked to come to this market. Good snows over the belt had little effect on prices.

First quotations were rather strong, but there was some realizing, and it seems mills and elevator concerns were more on the selling side. This gave us rather sharp reactions from the best levels of the day. Corn was also strong early, but there was some opposition, and final prices were indifferent. The same was more or less true of oats, except for the March delivery, which is still rather tight; the open interest is still close to 8 million bu, which we regard as large

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 March 4, 1947

During every major war, the hog proves his real worth to humanity. The demand for concentrated foods is so great that virtually every part of the pig can be used for human food. It formerly was said that farmers should play the victrola for the hog to keep him happy in order that he will thrive and grow fat. About 40% of the corn crop goes for hog feeding, and, therefore, the ratio between these two commodities is very important. For January 15th it stood at 18.0, which was a near record for the third consecutive month. In view of this situation, one would think that farmers would have capitalized and had a larger number of hogs on farms, but the truth of the matter is that there were 4 million fewer on January 1, 1947 than a year earlier. "The number of hogs at the beginning of 1947 was the lowest since 1941, and far below either 1943 or 1944. The reduction in the number of hogs in 1946 was due chiefly to the 11% reduction from the previous year in the size of the 1946 fall pig crop. The Bureau of Agricultural Economics indicates that by January 1, 1948, the number of hogs on farms will be somewhat greater than at present. An increase in spring farrowings is expected, and an increase in the fall pig crop also is probable in view of the current and prospective favorable hog-corn price relationships.

In these circumstances we believe that the domestic consumption of corn will not be too large, particularly since the total number of cattle on farms probably will decline this year, with most, if not all, of the reduction being in cattle other than milk cows. Of course, our exports will be large. Every day we find that some other country is anxious for American grains, or has been supplied in some fashion, either through direct purchases or by donation. Just yesterday, we learned that 7,000 tons of supplies had been diverted by President Truman from the American Army to meet the Rumanian food crisis. Judging from the various claimants receiving flour allocations the demand is general over Europe. Most attention is focused on the needs from France, Italy, Germany, and Britain, but smaller amounts are also going to Holland, Belgium, Switzerland, and a score of other countries. This, of course, is the reason that wheat is selling at $2.50 rather than for half that price, as might be the case if there were no export outlets.

We note that during the past week, there were no purchases of wheat, corn, barley, grain sorghums, or oats by the CCC. Apparently they are not intending to buy corn for the balance of this week, and possibly for a longer period. In the meantime, cumulative wheat purchases since September 9th have amounted to 93.2 million bu, and nearly 50 million bu corn. During the past week, however, the Department has purchased 25.6 million lbs of flour. It is claimed that the January flour shipments were larger than had been anticipated, and would probably be very good again for the month of February. All this suggests that our wheat carryover on July 1st may be reduced somewhat more from last estimates, and it will be difficult to tell, as much depends on our ability to ship, which in turn includes rail transportation to the seaboard.

Primary receipts of wheat amounted to 1,445,000 bu or practically the same as last week and compared with 1,364,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 12,000 bu.

Markets were a little weaker all around and it seems that after the heavy short covering, if for no other reason, reactions would be in order. However, longs are on the defensive at present high levels and we believe if cars were available that there might be a heavier movement from country points. Toward the last there were some reports from the Southwest indicating that more moisture might be received but the official forecast was not too optimistic in that direction although indicated some light snow tonight for Nebraska. At Kansas City intentions for the delivery of wheat amounted to 100,000 bu, but in spite of this factor, mills are still paying high prices for cash wheat. Corn was under some pressure and there was a fair amount of liquidation although a few buying orders at the last gave us a rather sharp closing rally.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 March 5, 1947.

Price is still the greatest regulator of all factors. A day or two ago an article appeared in the New York Times that American Housewives Organized, Inc. had started a boycott of pork, urging all housewives to let pork and pork products rot in stores and warehouses rather than pay $1.00 a pound for it. At the same time this was happening, it was potato day in Congress. The dining rooms both in the House and in the Senate, were serving free cake, bread, and chips made from potatoes; and the use of potato flour in bread and other bakery products has been urged by Representative Shafer of Michigan, as a solution to the potato surplus.

Due to the recent price rise in wheat and in flour there is quite a consumer resistance, but, of course, the increases have been very largely due to European conditions, and the fact that our government has seen fit to do everything within its power to get even greater supplies into relief channels. A day or two ago Mr. Dodd, Under-secretary of Agriculture, talked on this very subject claiming that he was familiar with European conditions from actual study of matters on his trips there. He stated that patience was not a remedy for hunger. He summed up in three sentences his remarks as follows:

> "The greatest affliction in the world today is food scarcity. The greatest work in the world today is human charity. And the greatest hope of the world today is the slowly-spreading knowledge that all men are members of one race --the human race. The average European's diet is one of deadly monotony. Relief of that monotony must be one of the greatest joys of persons who receive CARE food packages from America."

If our export goal is met, and we ship about 350 million bu of wheat and flour it will comprise about one-half the world's shipments. In addition to this, other grains are going for foreign relief, and the figure of 500 to 550 million bu is often mentioned, with probably most attention now being focused on corn. Thus, this cereal has likewise had sharp advances, stemmed only by the fact that recent prices have occasioned a more cautious feeling in trading circles, particularly with fewer hogs on farms, and the chances that our carry-over reserve at the end of the season will be much heavier than last year.

There had been a forecast made late yesterday for moisture in the Southwest, and the official prediction was not too optimistic, but yet when traders came to their offices this morning they found that the western sections of Kansas and the western sections of Nebraska had been visited with very fine snows; this likewise occurred in the northeastern parts of Colorado; in some cases it was as much as four or five inches, and during the session further reports were current that further eastward points were being relieved. Our weather man is of the opinion that we may have fair relief yet in central sections of the states just named. This led to some selling of July wheat, but on the other hand the market seems to encounter some support from time to time due to the fact that the export business in flour is still being carried on with such vigor. A. A. Fitzgerald, Secretary-General of I.E.F.C., stated at a Press Conference that European conditions were clouded by severe winter killing in France and Belgium, and smaller acreages than a year ago. He also told of damage from rains and floods in Italy, as well as lack of fertilizer. He saw no chance of building up any real surpluses during 1947-48 unless there is a large rice crop in the Far East. This gloomy picture had its effect marketwise, and some of those who sold short early on weather, covered, with the result that reactions were quite sharp.

Primary receipts of wheat were a little smaller today, amounting to 926,000 bu, compared with 1,079,000 bu last week, and 968,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 31,000 bu.

Markets were a little weaker at the start influenced by the favorable weather reports, but on the other hand, flour business is a sustaining influence and whenever there is reiteration of bad conditions inEurope, which means more grain to take care of hungry mouths, it immediately has its influence here. There was considerable short covering and the close was strong. Oats came to the foreground, and on the possibility of some export business when navigation opens, there was buying for long account, also, short covering and the market made new highs. There was very little opposition and while there was no particular feature in corn, that market also advanced sharply in sympathy with the balance of the list.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 6, 1947.

There was not a great deal of news overnight except that further snows were reported in many sections of the Southwest. This moisture was not general, but at least there were many spots that received as much as 5 to 6 inches, which can only be construed as beneficial for the winter wheat crop. Hays, Kansas, had 5 inches, and snow is now covering the fields. About a like quantity was reported at Topeka,and Salina, with a little heavier fall at Beloit and Kansas City. Coming in a scattered way at this time, it will certainly help to lay the dust in those sections that had been complaining of dry topsoil. In the Texas Panhandle snow was very light, but, of course, it is still quite early in the season.

The main factor is still the shortage of grain and foodstuffs in Europe, and it seems that almost every day we have reiteration from some source that stocks are low and that it will be necessary to import large quantities, not only for the balance of this crop season, but also after the new wheat starts to move. Secretary Anderson disclosed late yesterday that we had agreed to provide the British with sufficient meat in the next few months to prevent a cut in their present ration. He also stated that we are going to help Britain build up a stockpile of wheat this fall, so she will not be dependent upon imports during the winter season. Apparently the program is to furnish about 3 3/4 million bu wheat monthly after July 1st, at least until close of navigation. This in itself is not a very large quantity, but yet it shows how eager various claimants in Europe are to receive our grain. During the past month Britain also contracted for about 19 million bu Argentine wheat, but there have been absolutely no facts as to the time of delivery or the price that was paid. The latter was deliberately kept secret, and when Mr. Strachey was questioned in the House of Commons, he simply said that without the consent of the other party he was not at liberty to give details. Considering that England had entered into a bi-lateral agreement with Canada for the purchase of about 150 million bu wheat a season for the next four years, it shows that they are dependent upon other exporting nations for grain, and we believe that most people are sympathetic to these needs. This is not entirely true regarding supplying Germany even admitting that conditions in that country are desperate. For the past two or three generations Germany has been a fomenter of war, and we recall that there was a great deal of criticism against sending such large quantities over there even after the matter had been fully explained, by ex-President Hoover in an effort to maintain peace in Europe. Probably a good many mothers whose sons had been lost in the war still had in mind that only two or three years ago we were trying to crush them, and they can hardly see the necessity of giving them first aid when it is probably just as sorely needed by many other European nations, which likewise are suffering from malnutrition.

In recent weeks Argentina has made another bulk contract with the Swiss for the shipment of about 9 million bu in the current year, but in order to obtain this concession, Switzerland has to agree that she will also take about 4 million bu in each of the four succeeding years regardless of conditions. All this demonstrates how sorely grain supplies are wanted, and, of course, with a poor crop just having been raised in Australia, and with Canada apparently not willing to take on new customers, the demand from the United States appears to be almost unlimited.

Primary receipts of wheat amounted to 1,434,000 bu compared with 1,322,000 bu last week, and 1,181,000 bu last year. Kansas City and Minneapolis stocks so far this week are practically a standoff.

There was considerable buying momentum when our market opened, and it seems that with little pressure from the country the line of least resistance continues to be on the bull side of the market. However on bulges there was apparently sufficient realizing so that rather sharp reactions took place. At the same time markets could not be considered weak, as there was good absorption on all minor breaks. It is difficult to make many suggestions because at present levels naturally conservatism should be practiced.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 March 7, 1947.

There were further snows reported rather widespread over Southwest areas, and certainly more than had been expected, with many places receiving relief for the first time in a month or more. The Texas Panhandle reported about 2 inches around Amarillo, becoming much heavier on the South Plains, ranging from 3 to 6 inches in many spots. There were also wires from parts of Oklahoma that this was the first relief in so long that they had almost forgotten what snow lookedlike but it was very welcome, and we would say that conditions are ever so much better than they were a fortnight ago. This may have had some slight influence on our market at the start, but another factor which attracted attentionwas a statement fromWashington by BAE, calling attention to the fact that forces now at work seem to indicate a business recession late in 1947, and a down-turn in prices, particularly in foods. This authority said that farm prices could dip 20 to 25% if the business down-turn should come at a time when farm marketings are heavy. While on the surface this seems like a rather alarming report, we would say that the trade in general feels more or less that way, and even though cash prices for wheat are about $2.65 here in Chicago, our September wheat at one time today sold almost down to $2.10 per bu, indicating that there is not nearly the confidence for the future that markets will be able to maintain present strength.

In analyzing any report from a statistician or from an economist it is more or less necessary to know what the government has in mind with respect to export shipments, for they really hold the key to the situation, and any change of mind on their part could cause quite a difference in the price structure. Late yesterday, we received from Washington the first complete and revealing report on foreign business with the breakdown between flour and wheat, in order that some conclusions may safely be drawn. During the first seven months of thecrop-year, or from July to end of January, exports of all United States grains amounted to 244 million bu. In addition to this, there was slightly less than 5 million bu Canadian wheat milled in bond and exported, bringing the total to about 249 million bu. The PMA statement gave the exports of wheat and flour during this period at 197.5 million bu, calling attention to the fact that CCC had 68.3 million bu wheat on hand, plus 13.8 million bu flour equivalent. They allowed about 3.8 million bu for wheat exports by the private trade to the end of this season, thus making a total of 283.4 million bu. In order to reach a goal of 350 million bu, we must conclude that 67 million bu would still have to be purchased, and probably all of it in the form of flour. However, if shipments are only to total 325 million bu, as was indicated by BAE early, then it would leave only 42 million bu wheat equivalent yet to be bought. These figures are as of February 1st, and, of course, since that time both the trade and PMA have done business, so that the amounts would be cut down correspondingly. There is one thing, however, in the report which cannot be ignored: namely, this statement which we quote: "The effort now is to reach the 400,000,000 bu total as soon as possible, and to exceed it as much as possible during the rest of the marketing year." This always leaves the trade in suspense, because nobody ever knows exactly how far the government will go with its program. It was thought that on November 29, 1946, they had about bought their requirements, except for the flour, but higher and higher goals have been sought, all of which leaves a bullish tinge to the market because of the uncertainties.

Primary receipts of wheat amounted to 1,340,000 bu compared with 1,190,000 bu last week, and 1,158,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 57,000 bu. When the visible supply is posted on Monday it will compare with a decrease last year of 5,716,000 bu.

Wheat prices were very erratic again. There were intermittent breaks in the market, probably due largely to profit-taking operations, but final quotations were not much changed. Little attention was paid to the strength in coarse grains where moderately higher prices prevailed. Early in the session a report was circulated on the floor that the CCC had re-entered the corn market but this was later denied by the Chicago office, and we understand that they are not buying in Kansas City either. Nevertheless, there was considerable commission-house buying, while offerings from the country were extremely moderate and the car shortage is still a factor.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 10, 1947

In view of the reports that we are getting from Europe, it is lmost an assured fact that the winter wheat crop has sustained a good leal of damage, and just how much spring wheat planting will be done o make up the loss is naturally involved, because even if there were ertilizer, equipment, and manpower, nobody knows whether enough seed ould be obtained from North America to take care of these plantings. hus it is safe to predict that the world crop of 1947 will fall short y a long measure to fill world demand for food. This is being told o us in various ways. On Saturday, Mr. Fitzgerald, who made the uropean trip with ex-President Hoover, forecast that import require- ents for wheat might be heavier next season than during the current eason. There was a figure mentioned of one billion bu, but this is o fantastic that unless other exporting countries have larger quanti- ies than are now being offered, it is obvious that such a goal is mpossible of realization. We have seen already how difficult it was o furnish about 350 million bu wheat when we raised the largest crop n the history of the country. After all, a population of 140 million hat is eating well consumes much larger quantities than was the case wenty-five years ago when there were fewer mouths to feed. Likewise, e are feeding more to animals, and farmers have become accustomed to sing wheat, but fortunately this figure is now more conservative than t was three or four years ago when corn was so scarce. In any case hat we are trying to emphasize is that the trade is geared for heavy hipments from this side, and if this is so all other items are emporarily thrown into discard.

We had some very glowing reports this morning of additional oisture Southwest. This precipitation was best in the Texas Panhandle, here in some places they had as much as 1/2 inch, but there was also 4 inches of snow reported at Hastings, Nebraska, and a good many inter- ediate points had relief, although of a varying degree. Thus the orries that were with us a few weeks ago concerning topsoil dryness ave now been dispelled, and, of course, this is fortunate at a time hen the world's requirements are so heavy.

Our markets today were very strong. There was buying and covering he moment the bell tapped, and while many millers were refusing to ssue quotations pending a clearer picture of cash wheat, nevertheless, here must have been some business overnight, and the covering of edges in the market was an important factor. Strangely enough, cash heat in the Southwest is still maintaining the same premium, and No.1 ard wheat is bringing about 20¢ over the future, so that there has een very little adjustment in the past month. The cash wheat basis n the Northwest was about 1¢ higher, and apparently there is more heat left on farms Northwest than in other parts of the country, but e presume that after navigation opens, the government will center its ttention on surpluses there, should they develop at primary markets. he car shortage still makes all transportation a most difficult roblem. The demand for freight cars is not likely to be relieved in he near future, particularly while allocations of steel continue. We re told that freight cars are being retired from service much faster han they can be replaced. Last year's total production of 38,000 was ess than half the 1941 output. The stupendous backlog of orders in he equipment-producing plants is rising. In addition to all this, the eneral traffic is keeping up at record levels, with carloadings ately running ahead of last year and even ahead of 1945.

Primary receipts of wheat amounted to 2,197,000 bu compared with ,962,000 bu last week, and 1,668,000 bu last year. When the visible upply was posted there was a decrease of 2,129,000 bu; this reduced otal stocks to 33 3/4 million bu against 38 million bu on hand a year go. Chicago stocks were practically a standoff, but there is still nly 730,000 bu at this market.

The market was very strong right through the session; while it was rderly it was noticeable that there was almost a complete lack of of- erings, and thus the full 10¢ limit was attained for all three active heat futures. We understand, but cannot confirm it, that Britain s trying to buy some new-crop wheat from the United States for ship- ent during July, August, and September. This had very firming in- luence on the new-crop futures, which often led the upturn in today's rade. Coarse grains were also very strong. There was no special ews, but there seems to be a very bullish sentiment throughout the ountry, and no heavy accumulations of either corn or oats are likely ith the government so eager to carry on exports. The March delivery f oats sold at $1.03 3/4 per bu, and this, of course created not only omment but also indicated the tightness of supplies.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

March 11, 1947.

There was very little in the overnight news. Weather was mostly iry but from what we hear, there have been enough snows in parts of che Southwest and rains in the southernmost sections to take care of immediate conditions, particularly with the subsoil moisture that occurred earlier. Oklahoma is probably one exception, and there are ocalities that were not too well favored in the past ten days, but if rains are received the latter part of March or early in April, it is quite possible that the present prospect can be maintained. One party, vriting from Woodward, informs us that while they had an exceptionally good fall and fine rains at seeding time, the weather has been pretty iry during the winter, but despite this wheat is in good shape if it just gets a little moisture and warmth as the growing season approaches. All this is having very little effect marketwise for the reason that che demand from abroad is so great that we shall probably have an enormous export year starting next July, just as we have had one of our oig seasons ever since the last harvest.

We still do not have much information about European conditions. Jntil the last few days they were still in the grip of a severe wintry spell. Fears of damage to the standing crops, particularly of winter vheat and rye are pretty widely reported, and in a number of instances olocked roads and railways have even interfered with distribution of supplies. Bread lines are reported in Italian towns, according to Broomhall's correspondent in Rome. However, bread is obtainable from street dealers in apparently unlimited quantities, but in order to get it one must pay six to seven times the controlled price. The same authority tells us that Holland contemplates mixing corn with wheat in order to make supplies go further, and while it may be distasteful to che French, there is also some probability that they may have to resort to the same in view of present conditions. Despite all our efforts, wheat exports from North America during the last half of 1946 amounted to about 268 million bu, which compared with 414 million bu exported during a similar period in 1945. A reduced carryover in both che United States and Canada, labor difficulties, transportation problems, also were factors, but in any case much of the deficit will have to be filled through the use of substitute grains, particularly corn. These European nations are resisting to some extent but rather than starve they will undoubtedly have to make some compromise. We want to point out that as the new season approaches, estimates for European countries with changed boundaries are going to make comparisons difficult with pre-war days. For example, with changed frontiers a part of che production included in the European total will be shifted to the estimate for the Soviet Union. European territory incorporated in the Soviet Union (including Bessarabia, Bukovina, Ruthenia, eastern Poland, che Baltic States, and part of Finland) is estimated to have averaged about 80 million bu wheat in the pre-war period.

Little attention was paid to the government report issued yesterday, but it should be noted that the season appears to be starting iormally in contrast to the last two seasons when crops at this time vere farther along than usual. Wheat appears to have come through the vinter in most areas in good shape, although there has been little snow protection in Pennsylvania and Ohio, and some shortage of moisture in Missouri. Topsoil in the Great Plains is relatively dry but spring rains will probably remedy this situation. Subsoil moisture supply s mostly satisfactory.

Primary receipts of wheat were 1,594,000 bu compared with 1,445,000 ou last week and 1,443,000 bu last year. Kansas City stocks so far chis week show a decrease of 14,000 bu. We had very erratic markets again today.

A few minutes after the opening July wheat advanced an additional 10¢ to a price of $2.43 7/8, but outside markets did not go up as fast s we did. Likewise coarse grains were reactionary, and it seems setbacks are long past due. Therefore, it was not surprising that there vas a good deal of realizing and apparently fewer shorts to cover, so hat we had some sharp breaks from the early highs, which incidentally vere best prices of the season. It was sometimes rather difficult to fill orders at near-board quotations, but, of course, fluctuations are ound to be much wider at present levels. Furthermore the commercial emand is not keeping up fully; in fact, the domestic flour business is eported dull in some areas and the market depends mostly on its support from European demand.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 12, 1947.

The carryover feeling from yesterday was somewhat mixed for the reason that new-crop futures had broken more than 10¢ per bu yesterday, after reaching a new high level on the crop. On top of this came reports of rain and snow over many parts of the Southwest. Moisture was particularly good in central Kansas, and we note that Wichita received an inch of rain, but the precipitation extended as far west as Garden City, with wet snow falling since early this morning. Our weather man is of the opinion that the moisture will extend into Oklahoma and Texas, and just while writing this letter we are told that snow is falling at Amarillo, and that there are similar reports from Clovis, New Mexico. There are many parts of Oklahoma where the rains varied from 1/2 to 1 inch. Ordinarily this would have a very bearish influence on markets, for the reason that moisture coming just before the growing season starts is helpful for the best development of the plant. However, the trade, at least for the time being, is forgetful that we have the prospect of a winter wheat crop of 947 million bu. Most people assume that we shall be able to use any quantity to feed hungry Europe, and already we are finding that the administration is anxious to cater to countries like Greece and Turkey to keep them from comingder Communistic influence. So it will probably be necessary to send supplies, including foodstuffs, to those countries for the next year or so at least. Almost every day we hear of some other foreign claimant, although the State Department threw considerable doubt today on Yugoslavia's need for relief grain, and this was one of the factors that had been mentioned just recently. A report circulating in Belgrade was to the effect that the International Emergency Food Council would allot 100,000tons of grain for purchase by the Yugoslavian government and by the United Nations Relief and Rehabilitation Administration.

There is so much going on in the world right now that it is difficult to follow it all. The original InternationalWheat Agreement had planned to limit the United States to ship 16% of the total wheat shipments, which was only about 80 million bu, and would give the other three large exporting countries a much larger share than we would get. It seems almost a paradox that this should be discussed at a time when we are actually furnishing about half the world shipments, and the cry is for even greater quantities. However, we understand that a U. S. delegation was recently named for world wheat talks. Mr. Leslie A. Wheeler will be Chairman of the International Wheat Conference, which is expected to meet in London March 18th. While he may be successful in securing a larger percentage for us, we understand that the Conference will endeavor to develop equitable international wheat prices, adequate wheat supplies, wheat reserves through national stocks, avoidance of burdensome wheat surpluses, and diversion of land unsuitable for wheat to other crops. This is quite an assignment, and possibly nothing much will come of it, but at least it shows what is going on in the minds of the planners, not only at home but in international circles. One of our prominent newspapers points out that when we revert to more normal shipments of wheat it will immediately end the farmers' inflated prosperity with a thud, and as is further stated, farmers will have to act immediately to get out of the habit of growing billion-bushel wheat crops after European production comes back, or else face huge surpluses.

Statistics were unimportant in today's trade, except that we understand allocations being planned by the Department for May will include 6.4 million bu of wheat, 16 million bu of flour (in wheat equivalent), 22 million bu of corn, and 1 1/2 million bu oats. This had a little firming influence at one time, as did the President's report to the Congress, but apparently high prices are creating a more cautious sentiment in all pits. Likewise, there is bound to be some resistance by consumers. All in all we believe that this is a period when great caution is necessary. Markets will probably be more two-sided, particularly if the fine wheat prospects are maintained.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 13, 1947

Relief and aid to other countries is costing the United States Treasury over $6 billion in the current fiscal year. This is as much money as was needed for all government expenditures in many pre-war years. Of course, it is our hope that in rendering such help that we shall place each country in position so that it can build a healthy basis for peace, prosperity, and trade, and apparently this was President Truman's thought yesterday when he delivered his message to the Congress, asking for help to re-establish better living conditions in Greece and in Turkey. Many of the important questions involved have been discussed for several months by the Committee on Monetary Relations of the International Chamber of Commerce, which met in Paris last December. We all know that the first requisites are for resolute governments in Europe, assured of adequate stability and continuity, but on the other hand we also must appreciate that to bring about such conditions will impose a tremendous burden upon the taxpayers of this country. Just at this very writing the Export-Import Bank announced signing a $50 million credit to Norway. It is to be used to finance purchases in this country, but apparently very little will go for food. However, what we have in mind mostly are the credits for which we alone are responsible, and which seem to be growing daily.

Despite all the heavy demands from Europe, Secretary of Agriculture Anderson warned that government estimates of bumper grain crops would eventually depress prices below present levels. He also indicated that the high prices for wheat and for hogs are a result of speculation. We cannot agree with the latter statement because it is quite obvious that had this been the case, the open interest in wheat during the last month and a half would have risen sharply, while actually it has remained practically stationary. From our own experience and what our friends in the country tell us, the futures market has been a tremendous help to merchandisers and millers, who have sold large quantities of grain and flour to the government, and who could not have protected themselves except for the insurance afforded by these long holdings for future delivery. We have stated before, and believe it to be correct, that speculators were predominantly short, and their actions were based on past performance, which suggested that when wheat was around the $2 level, very often declines took place. However, with present parity levels the highest in the history of the country, and a loan of almost $2 a bu for wheat possible after the next harvest it is also self-evident that really low prices are not likely. Mr. Anderson did admit that the almost unlimited foreign grain demand was the ruling price factor, and with this statement we agree wholeheartedly. As has been stated in these letters so often, with a crop and carryover of approximately 1,250 million bu, and home consumption not to exceed 800 million bu, there would not have been any semblance of scarcity and probably not nearly the high price level except for the fact that we were pushing exports to the limit of our transportation facilities. In the exact words of PMA, on March 5, 1947, we quote: "The effort now is to reach the 400,000,000 bushel total as soon as possible, and to exceed it as much as possible during the rest of the marketing year."

Primary receipts of wheat were smaller, and amounted to only 1,090,000 bu compared with 1,434,000 bu last week and 1,365,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of only 26,000 bu.

There was some weakness displayed in wheat when our market opened. This was due to Mr. Anderson's statement, together with reports from the Southwest, telling of fine moisture in many parts of the wheat belt. Kansas City had over 2 inches of rain, and in parts of Nebraska there was as much as 6 inches of wet snow, which was construed as very favorable for the crop. There was not as much moisture in the western sections of the belt as one might wish for, but in any case present prospects must be regarded as highly satisfactory. Weakness that we just referred to was shortlived. When corn advanced due to accumulation of buying orders, it immediately influenced wheat, and the leading cereal became stronger as the session progressed. One of the large mills sold very substantial quantities of May wheat throughout the day, but despite this pressure nearby positions were the strongest, reflecting tightness in cash wheat. New crop futures also rose, but not as much, and we would say on the whole that the volume of business was considerably smaller than yesterday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 14, 1947.

Secretary of Agriculture, Mr. Anderson, has asked again for further corrective measures to curb speculative excesses in the Nation's commodity markets. No specific proposals are made, but Mr. Anderson believes that speculation is "talking loudly" in the grain market, which has been marked by sharp price increases in recent weeks. In fairness to the trade, which has done a remarkable job in coordinating consumption to production we believe that there are some statistical facts which should be mentioned at this time in order to clarify the atmosphere.

Our government had originally planned to ship about 267 million bu of wheat abroad for relief purposes, which included 17 million bu from the previous crop. On that basis, it was considered likely that we would have a reserve stock on July 1st of about 200 million bu, or only slightly less than average. However, as time went on we were told that in view of a larger prospective crop it would be possible to carry on the export program with greater vigor, and that the government planned to ship 400 million bu of grain by March 31st, and to continue shipments at the rate of 56 million bu per month to the end of the season, bringing the season's total to between 500 and 550 million bu. The increased goal, it was stated, would include 350 million bu wheat and flour equivalent, or about 83 million bu more than the original goal. On basis of these revised figures, we shall probably have a carryover next July of only 100 to 130 million bu compared with 235 million bu, the ten-year average. In view of the fact that we have a larger population now than we had earlier, that there is more storage capacity in the country, and that we are in a more prosperous era, we would regard a reserve stock of 100 million bu as bordering on the danger mark, and if anything should happen to the new crop, the present program would be regarded as one of utmost recklessness. We admit that there have been three successive bumper crops of wheat, and prospects are for total production next summer of 1,170 million bu. However, crops are not made in March, or in April; therefore, it is well to bear in mind that during the drought years we raised less than we actually consumed, as the following figures will illustrate.

CROP FAILURES

1933	-	552 million bu
1934	-	526 " "
1935	-	628 " "
1936	-	629 " "

We appreciate that everything that is being done now is for the sake of helping humanity. It is much the same as a year ago after ex-President Hoover concluded his European trip, and made this statement: "We have emerged from a terrible era of killing of men, women, and children. The world must look forward with hope and the dawn of that hope can be made glorious by an era of saving of health and life." At that time about 5 million tons of cereals, together with fats, were needed, and while part of the burden had been carried by Russia, the main obligation had to be satisfied from North American sources. There were about 16 or 17 nations, comprising about 170 million people, who were in dire straits. On April 8, 1946, Mr. Anderson stated that he was still hopeful that difficult as the problem was, with the cooperation of processors and handlers, consumers and farmers the job could be done. However, in doing that work, prices for wheat and corn soared to the ceiling, and a good many mills in the country were threatened with a close-down because of lack of supplies. Thus, it was that the Government in spite of OPA and ceiling conditions, paid a bonus of 30¢ per bu to farmers to get wheat. Therefore, they recognized open market practices during a period of price control. At the present time we have much the same situation.

We are threatened with reserve stock about as small as the last one, and we believe that Mr. Anderson should not look for an alibi, but should recognize that if we are to continue the relief program in Europe it will be necessary to maintain production on a tremendous scale. He should also be cognizant of the fact that the only reason for high prices is because we are probably shipping larger amounts than are safe for our economy. In spite of the fact that we raised the largest wheat crop in the history of the country, the government buying of wheat and flour has been on such a big scale

(OVER)

that we have never been able to build up supplies at terminal mark On September 24th, the commercial visible reached its peak of 106 million bu compared with 174 million the year earlier. Chicago, which is the largest grain market in the world, had only 3.7 milli bu at that time, and both Chicago stocks and the total visible hav declined substantially since that period. In fact, at the present time the total amount of wheat in terminal markets amounts to only million bu. Here in Chicago we have about 3/4 million bu of whea and probably most of it belongs to the CCC.

We would like to ask Secretary Anderson how he explains t in Canada without a futures market the government is selling wheat countries outside of Britain on basis of $2.94 per bu, basis Fort William. Could it be that their government is speculating, and i so, is the same true in Argentina, where cash prices are likewise higher than in the United States, and no trading of futures there either.

Primary receipts of wheat amounted to 1,061,000 bu compar with 1,340,000 bu last week, and 909,000 bu last year. Kansas Cit and Minneapolis stocks so far this week show a net decrease of 109 bu. When the visible supply is posted on Monday there will undoubt be a shrinkage, but probably not near as great as last year, when was reduced by 4,332,000 bu.

Markets were again rather erratic; while trade was on a smaller scale due to the fact that warning signals are being direc by commission houses, there was still a very tight cash market, bo Northwest and Southwest, with indications that ordinary #1 hard w at Kansas City was selling about 24¢ over the May future. This imparted greater strength to the nearby deliveries than to new-crop futures. March wheat sold at a new seasonal high at $2.85 1/2.

The grain allocations for May have not been officially pu lished yet, but the Department of Agriculture admitted that there been a leak somewhere along the line, and that the trade figures which we mentioned a few days ago, were substantially in agreemen with earlier estimates.

Corn futures were moderately firm, except the July and September deliveries showed independent weakness. There apparently was profit-taking in oats, and lower markets prevailed, but yet th was nothing drastic in the way of liquidation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 17, 1947.

There was very little grain news over the weekend except that Mr. Anderson indicated that he was not inclined to loosen up the cash wheat situation by returning any wheat to the mills or to the trade during the present period of tightness. Our government is heavily committed to a program of taking care of European requirements, but we still believe that if they would transfer some of their obligations to new-crop positions that it would be a great step in the right direction. Even now with apparently no wheat being bought, the government is a substantial flour buyer, and everyone in the country knows that, including the farmers. Likewise, the car shortage is still acute and undoubtedly is keeping a good deal of grain from coming forward. However, if the CCC would sell 5 to 10 million bu cash wheat in the Southwest and would then intimate that more would be forthcoming if necessary, we believe that this would go much further in correcting some of our present ills, which have been brought about by our offering and selling more wheat to Europe than was probably good for our economy.

As far as margins are concerned they are not the solution to the trouble, even though speculation on the long side may have increased somewhat during the past few weeks. We have always regarded the vehicle of margins as important, insofar as it safeguard ed the Clearing House and individual members, but we have always disagreed in principle that margins should be raised or lowered in an effort to influence prices on speculative positions. This is the second time in a year that Washington has tried to tackle the problem from that angle, and it was last April that the cotton people, including certain officers of the Board of Trade, were called to Washington because at that time it was deemed necessary to hold cotton prices at the 28¢ level. Despite the fact that margins were finally raised, there were sharp advances, and so it is quite obvious that when shortages develop they can better be handled by other means.

When our market opened this morning, prices were somewhat higher all along the line. The nearby futures were again strongest, and it was not long before the March and May deliveries of wheat made new seasonal highs. One thing must still be borne in mind: namely, that Argentina and Australia are furnishing very little wheat toward world requirements, and since August 1st to March 7th, these two nations shipped less than 50 million bu between them. During the same period Canada furnished only 129.8 million bu and the total of all four exporting countries, including ourselves, amounted to 377.5 million bu wheat and flour, or actually 161 million bu less than last year. Thus it is not surprising that Europe should be anxious to have us ship all we can, but still there is a limit to what one nation can accomplish. The International Wheat Agreement just a few weeks ago suggested that in normal times our share of wheat exports should be only 16% of the total, indicating recognition that this country, with a tremendous population, has to take care of its own people first. We believe according to present schedule that we shall probably furnish about half the world shipments during the current season, and this is having a very severe effect on our entire economy. Apparently, those who conducted this program did not realize that reducing the prospective carryover next July to about the same level as last year had such fateful implications.

Primary receipts of wheat are holding up pretty well and amounted to 1,540,000 bu compared with 2,197,000 bu last week, and 1,802,000 bu last year. When the visible supply of wheat was posted there was a decrease of 2,601,000 bu, reducing the total stocks to about 31 million bu, which is within 2 1/2 million bu of what we had on hand last year. However, we still have such tremendous quantities scheduled for export that we believe only the government can correct the present situation. While it may be distasteful to sell some of the wheat they have bought, if we are correct in our assertion that they have bought more than is good for the economy of the country, they may finally have to do what practical men in the trade now envision. Chicago wheat stocks decreased 36,000 bu, with less than 700 million bu here in store, and probably most of it belongs to the CCC.

Toward midsession there was a buying spurt, and during that period the deferred months in wheat went to new seasonal highs, but nevertheless, the spread between May and July wheat widened very considerably here and at Kansas City.

Corn and oats were naturally influenced by the great strength in the leading cereal, and there was a fair volume of business.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 March 18, 1947.

There was very little in the overnight news except that the Food and Agriculture organization of the United Nations published a review of the world wheat situation, together with an analysis of factors affecting supply, demand, and prices, and it was contained in an 80-page wheat bulletin, so that all we could attempt here is to summarize a few of the objectives. It is claimed that a need exists to reach collective agreements on a range of prices fair to both exporting and importing countries. This was never possible before the war, but we hope that it can be worked out now. Secondly, governments should cooperate on a stock-building program as soon as conditions permit, so that there will never be a recurrence of famines in areas liable to natural disasters. Then they want cooperation by governments in the management of export supplies, commonly referred to as "quotas." The bulletin, however, is cautious in warning that an International Wheat Agreement alone will not solve all world wheat problems, and for the time being at least we doubt whether this will be much of a market factor, but we mention it to show the thinking on international questions.

When our market opened this morning prices were considerably higher for wheat, and this was not surprising as there had been some unsatisfied orders yesterday by customers who had not been able to buy March and May wheat due to the fact that limits were reached. The government has not yet seen fit to make any wheat directly available to mills or to cash interests, but from the Southwestern Miller we learn that the CCC Office at Kansas City has already negotiated a number of exchanges involving tenders of spring wheat for comparable quantities of hard winter wheat that are owed to the agency for March to April 10th tender in the Southwest. This, of course, is a step in the right direction but in our opinion does not go far enough. A greater correction is needed, and we believe that some of the government holdings should actually be turned back to the trade, which would probably not be too difficult. There is a small amount of grain presently impounded, and the farmer has until end of April to decide whether or not he wantsto pay off the loan or default. Naturally, he will not default with present high levels, but we believe under the present emergency the Government should insist that this wheat be put to some active use instead of lying sterile where it doesn't help anyone. Furthermore, the government must have a substantial quantity of grain that it cannot replace with later deliveries until there is an easing in the cash situation.

We appreciate fully that most of the flour, wheat, and corn that has been purchased was to take care of relief requirements, but rather than to influence adversely our entire economy they certainly could give a moratorium on their wheat purchases for two months, and possibly by the time we came closer to the new-crop there would be a different psychology on part of farmers. There is already some new wheat being offered for sale, and this is not surprising in view of the present high structure of prices. Undoubtedly more would be offered if the farmer were not encouraged in his belief that the government was going to buy more flour every day, and thus he is lulled into a sense of security that markets can never react. Should the government become a potential seller instead of a potential buyer, it might correct some of the tenseness that exists in markets at this time, and certainly it is worth studying from that point of view.

Primary receipts of wheat continue on a fairly good scale; they amounted to 1,681,000 bu compared with 1,594,000 bu last week, and 1,733,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 47,000 bu.

As we stated above, wheat prices were very strong early, but later on cash houses were sellers, and we noted one order for the sale of 75,000 bu of May wheat that caused a reaction of 4¢ per bu. It is quite likely now, with higher margins, that the business in the nearby deliveries will be more or less in the form of close-outs , and we would not be surprised if gradually fluctuations would be probably even more erratic than they have been lately. In any case, selling developed in both new and old crop months, with most active futures closing down the full permissible limit. Very likely if we get further breaks, cash wheat will come out a little more freely from the country.

Other cereals were influenced by the weakness in wheat, and closing prices were considerably lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

March 19, 1947.

There was nothing very much in the overnight news except speculation as to whether CCC would transfer more of its holdings in the winter wheat belt to the Northwest in an effort to relieve the tightness that is apparent in southwestern markets. Due to the fact that navigation closed early in December most of the export business has been confined to Gulf ports, and, of course, this was a convenience to the government, but it has also meant that many localities have been drained of wheat. In years when we have a normal carryover of about 235 million bu, this is not so important. It likewise makes less difference when transportation facilities are routine, and when wheat can quickly be shifted from one market to another. However, we must face realities. The chances are with the heavy outgo of grain by next July we shall have a reserve stock of 100 to 130 million bu. This in prosperous times might have calamitous effects, particularly if the distribution is poor. Assuming, for example, that 30 to 40 million bu might be located on the Pacific Coast, there would doubtless be many markets east of the Rockies where wheat would be scarce, and some mills might be forced to close.

It was for this reason: namely, shifting positions, that prices broke rather sharply after new highs had been established yesterday. Nobody can tell just how far CCC will go in effecting further transfers for the reason that it has been intimated that each individual transaction would have to be submitted separately and acted upon independently. It is our guess that one of the large houses that made the exchange yesterday was in position to do this, having facilities scattered throughout the country, but it will be less easy for smaller concerns to accomplish the same. Therefore, nobody knows just to what extent the situation may be relieved. In any case, the longs have been a little more on the defensive. There is a considerable amount of new wheat being offered for a sale in Texas, but the acceptances have not been heavy, and it is still a long time between now and harvest. On the other hand, the government is apparently ready to make heavy commitments for shipment when new-crop wheat is available. We believe that some of the wheat which has been sold for early delivery should be delayed until new supplies come to market. This in our opinion would be much better for our over-all economy, and while there is no suggestion yet from Washington that something of this kind is being contemplated, we feel that those who have been making plans and theorizing on figures only should take into account the practical aspects in the situation.

The Commerce Department looks for a gradual decline in price levels over the next few months, with greatest pressure on those commodities which sold the highest when OPA controls ended. This, too may have had some influence today, but the market is still without a balance-wheel, and we believe that fluctuations will remain erratic until such time as hedges are placed and more commercial factors control daily operations.

Primary receipts of wheat were somewhat smaller at 929,000 bu, but compare with 883,000 bu last week, and 977,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 136,000 bu.

There are still a good many uncertainties surrounding markets. The government, which has been the prime influence in the advance, could very easily relieve the situation, particularly with respect to crop-insurance wheat, because after all farmers would just as soon be paid in cash as in wheat, and it would save the government hauling expenses, transportation costs, and other inconvenience. We do not know how much this would amount to, but together with the grain which is impounded under the loan and has not yet been redeemed, they could surely sell some wheat to mills, particularly in the Southwest where the situation has been most acute. Should anything of that kind occur, of course May wheat which has been the strongest would be first to be affected.

Little is said these days about the crop outlook, but there has been a fair amount of scattered moisture during the past fortnight, and it still looks like a big winter wheat crop.

Weakness in wheat was not immediately reflected in lower prices for coarse grains, although they finally yielded ground, closing considerably lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 20, 1947

Whenever we have big markets, such as prevailed recently, a good many people lose their sense of proportion, and particularly at a time when there are so many artificial factors predominating. If we have stated it once, we have said it a dozen times-- that with a 1,250 million bu crop and carryover, and less than 800 million bu domestic consumption, a surplus of 450 million bu would ordinarily have prevented high prices of any kind. Of course, we all know that our government was committed to a policy of taking care of European relief requirements, and not only did they buy continually, but they stressed it every few days. By this persistent conversation from the various agencies in Washington, it not only scared the farmer into holding more than he might have otherwise, but it also had a tendency to frighten those who needed cash wheat, and who apparently paid tremendous premiums to get it, always fearful that the government would continue the same buying tactics, and finally corner the market to a point that supplies might become unobtainable at least in certain sections of the country. On one occasion, and not so long ago, PMA announced to the world that their effort was to reach the 400 million bu total as soon as possible, and to exceed it as much as possible, during the rest of the marketing year. When a government as rich as ours, with all the resources behind it, comes out with such a statement, is it any wonder that prices should climb to the $3 mark, particularly when it is self-evident that in accumulating their supplies of flour, price was no longer a factor. Also we mentioned the fact that the distribution was bad, for the reason that these purchases were made largely in areas tributary to gulf ports, and thus a good many of the smaller markets were drained out of supplies. In our opinion it will not take much government selling, but rather the threat of liquidating some of their holdings, and possibly reducing their lines on the wheat that is not actually needed in order to effect a better balance. Even a statement from Washington that no further purchases would be made would at least have some temporary effect, although in the past they changed their minds so often that a good many people no longer take these warnings seriously.

In any case we have had some rather sharp breaks during the last three sessions. May wheat is still selling at a tremendous premium over new-crop months, but July and September wheat are probably within 10 to 20¢ of the probable loan level based on February parity. Nobody, in our opinion, can visualize what a billion-bu winter wheat crop will mean for the reason that we have never raised one before. Furthermore, we have never had such high prices prevailing before harvest, and despite continued demand from Europe, there is bound to be an unceasing movement, dependent, of course, on the ability to get freight cars once the grain is ready for market. Probably few farmers will be in position to store all their wheat at home, and thus there may be great changes as we pass from a period of small supplies into one of great plenty.

After the close today we shall have a government report, and farmers' intentions to plant will be disclosed. It will cover each of the major grains, and our guess would be that tremendous acreages are going to be sown in view of high prices, although labor is still a factor, and there is still a shortage of some fertilizers. We shall need about 800 to 850,000 tons of nitrogen to take care of domestic consumption. The record supply of approximately 725,000 tons of nitrogen available for domestic use during the current year is considerably short of the record demand by American agriculture.

Primary receipts of wheat amounted to 1,163,000 bu compared with 1,090,000 bu last week, and 886,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 175,000 bu.

Wheat prices were lower at the start, May wheat being under greater pressure than the new-crop months, and at one time it sold 10¢ from yesterday's close, but had a good recovery on renewed flour business. It seems that several of the chain bakeries and grocers probably have renewed confidence. There also seems to be a little flour export business to Holland, although not much is likely to other countries until the quotas are announced either tomorrow or Monday. There is talk now that PMA may start buying flour again next week, and under these circumstances forecasts are difficult.

Coarse grains were influenced at times by the great weakness in wheat, but showed independent strength.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

March 21, 1947.

After the close of the market yesterday, the government issued a report on prospective plantings for 1947, and, of course, all these interpretations are based mainly on past experience and are never final. We had considered it likely that there would be a reduction in spring wheat sowings owing to the fact that farmers in the Northwest are guaranteed $6 for flax, and acreage for flaxseed was increased very substantially to 4.4 million acres or 170% of the 1946 area. Nevertheless, all spring wheat is practically the same as last year, and on basis of average weather we might have a crop of about 270 million bu, which would certainly make the total wheat production the largest on record, provided there are no unforeseen incidents from this time onward. In corn the intended acreage is only 87.5 million acres, or 97.3% of last year, and this may be regarded as a little bullish, although it is too early yet to come to any definite conclusions. As the government states, the purpose of these preliminary reports is only to assist growers generally in making such further changes as may appear desirable, and much can happen between now and actual planting time. In any case, we believe that one should take cognizance of the fact that the combined wheat acreage promises to be about 75.7 million seeded acres, which is about 6% over last year's sown area. This would be the largest for all wheat since 1938, when nearly 79 million acres were planted.

When our market opened this morning, prices were very firm, and this was not surprising as yesterday's break uncovered quite a little flour business, and apparently some of the bakers and grocers who have been running on short supplies, find it necessary to come into the market on even moderate recessions. However, we are told that the overnight flour business was rather disappointing, and apparently with the tremendous premium yet of May over July, there is going to be some hesitancy because anyone who is in position to wait will undoubtedly do so with the notion that when the new crop starts to move, price will be on a much more favorable basis. Some of the selling in the last few minutes of trade in yesterday's market was prompted by a statement that restrictions would be placed on flour shipments to South American countries and the Philippines. This, however, is found necessary owing to the fact that European countries are to get preference. Therefore, any saving that can be effected through this change will probably mean heavier shipments abroad, and we doubt very much whether it means smaller total exports from this country. Apparently our government is not going to swap winter for spring wheat on a heavy scale, and it is indicated that probably only 3 to 5 million bu will be exchanged. This may not be sufficient to relieve the tightness that exists in southwest markets, and even now cash wheat is still running about 20¢ over the Kansas City future, which is still tremendous when we consider that in five or six weeks there should be an adjustment so that deliveries will be possible.

Tomorrow is the last day for pit trading of March futures, after which time all open interests will have to be settled by delivery in Chicago. Outside of oats, commitments are small, so there should be no difficulty in evening the majority of these up in the pit. It is reported that several firms are prepared to make deliveries on oats, although there is some belief that if they should have the opportunity of changing hedges over to May at a narrowing difference they might do that and retain the cash grain for merchandising.

Primary receipts of wheat were 1,355,000 bu compared with 1,061,000 bu last week, and 1,310,000 last year. Stocks of wheat in Minneapolis and Kansas City have decreased 152,000 bu so far this week, indicating a possibility of a smaller visible supply decrease than last year when it was 3,421,000 bu. Corn receipts continue large, and well in excess of last year. Lately there has also been some improvement in the oat receipts at primary markets.

The foreign news was slightly more encouraging inasmuch as Broomhall states that his reports from France do not stress so much abandonment of wheat acreage due to winter frosts. While some floods are delaying spring seeding, the recent snows have afforded abundant moisture, and germination should be rapid, also provided for good vegetable crops.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

March 24, 1947

On Friday, the Department of Agriculture announced the May allocations, and in doing so it was indicated that practically no wheat would be handled by the private trade. The government's figure included approximately 7 1/2 million bu wheat and the flour equivalent of about 15 1/2 million bu wheat. The official estimate stated that at the end of April the Commodity Credit Corporation controlled stocks of about 11 million bu. This would, therefore, leave a balance of around 4 million bu for allocation during the month of June, unless shipping schedule is not maintained. The schedule also called for approximately 23 million bu corn, which is equal to a million bu a day, and for 1,960,000 bu oats, which should also be a sustaining influence for these cereals.

The situation in cash wheat still remains extremely tight, with premiums in Kansas City running 22 to 23¢ over the May. We have pointed out several times in our recent letters that this situation could be somewhat alleviated if the amount of wheat which has been contracted for May shipment by the Crop Insurance Corporation would be released and made available to the trade. In all probability the Crop Insurance wheat will not be wanted in May, and if made available would ease the tightness. Opposition has arisen in the Senate to the extension of the emergency powers of transportation and export program on part of the administration. Senator Robert Taf's proposal virtually strips the government of its authority to channel huge amounts of grain, flour, and other food directly to needy foreign nations, and to procure these supplies in competition with what has normally been handled through private commercial channels. In other words, the compromise as proposed would leave the government with the power to allocate grains and flour but without the power for the Commodity Credit Corporation to purchase and handle same. Under the conditions which have existed for the past six months, it has been impossible for private trade to accumulate any stock of wheat, and there does not seem to be any reason why a program could not be successfully worked out returning the business to private industry, with the government still controlling allocations. This program has worked out in flour, and could be successful as far as wheat is concerned.

Three of the world's four greatest exporting nations have agreed, at the International Wheat Conference, on a maximum price of 1.80 a bu for export wheat for bread purposes. While representatives of the United States have concurred, opposition is being heard from producers, and, of course, the program has to be presented to Congress. Furthermore, Argentina has refused to go along with any such program. At the present time the world price is at a much higher level, and there seems to be no reason why our farmers should be committed to a policy of artificially lower prices.

Crop reports from the three Canadian Prairie Provinces are rather optimistic. Heavy fall rains and winter snows point to promising prospects. Precipitation over the three provinces from September 1st to March 1st averaged 7.9 inches against the normal of 4.92 inches, and is over an inch more than received during that period a year ago. In this country, winter wheat prospects remain extremely cheerful, and moisture seems ample for the time being through most of the period.

Primary receipts of wheat today totaled 2,023,000 bu as compared with 1,540,000 bu a week ago, and 1,151,000 bu same day last year. When the visible was posted, wheat stocks showed a total decrease of 1,989,000 bu, and now amount to 29,134,000 bu, or about 1,120,000 bu less than a year ago. Chicago stocks increased 34,000 bu, and are now 728,000 bu.

All markets opened with a very strong undertone, led somewhat by the strength in corn, in which cereal there seemed to be evidence of some export buying. Commodity Credit reported the purchase of 350,000 bu corn on Saturday. Both the May and the July future went into the season's high ground. The wheat market also showed strength with some evidence of mill buying. Cash premiums in Kansas City showed further firming during the session, and toward the last #1 hard was reported to be 25¢ over their May. In view of the strong premium for all grains, do not look for any weakness to develop in futures for the present.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 25, 1947

Formerly when the grain trade arrived at their offices in the morning they would look over the Liverpool cables, study the weather, world news, look over the statistics and then formulate their opinions. However, this procedure has been entirely changed, and one must often look to Washington for news developments. Our wheat market this morning was somewhat stimulated by a Washington Press dispatch stating that pressure was being brought upon Secretary Anderson to purchase wheat in the spring wheat territory for May and June shipment. This, despite the fact that an official statement has already been made to the effect that no more wheat will be purchased on this year's crop. While there are still large farm reserves of spring wheat, any resumption of the government buying program would, naturally, tend to further tighten the situation, and further advances in the market would probably be placed on the heads of speculators. However, this is not the case, and with cash wheat premiums in Kansas City ruling 25 to 26¢ per bu over the May futures, it is self-evident to any unbiased party that the tightness in cash wheat, and not the speculative interest in futures is the cause of present prices. In more normal times an exporting country does the major portion of its business during the first six months of the crop year. However, after setting the original export quotas for this country, the goal was raised several months ago and at least an additional 50 million bu has been purchased, and it is this 50 million bu, coming at the time of year when supplies are always less plentiful, that has caused the present cash situation and the market advance of the past several months. If any of the wheat contracted for by government agencies for May delivery, such as has been done by the Crop Insurance Corporation, would be released and new crop wheat accepted in its place, the situation would be greatly alleviated. We understand until such time as the life of that organization is extended beyond June 30th, no move of such a nature could be contemplated, although we believe that Commodity Credit Corporation has entered into some contracts which extend beyond that period.

We are at present facing very fine crop prospects in winter wheat. Naturally, the crop is not yet made and much could happen between now and July 1st. However, if yields should turn out as favorable as indicated, the price structure in this country will then depend entirely on the amount of wheat allocated for export purposes. The box car shortage is also adding to the present aggravated condition, and this is particularly true in the corn territory, where it is reported that the Illinois corn is spoiling for lack of box cars. If it is not moved before warm weather sets in, deterioration will take place. Apparently the demand for corn for export purposes had not been satisfied yesterday, and there was evidence this morning of further buying by those with export connections. We expect to see more of this class of trade until the May export quotas have been satisfied.

Secretary Anderson has recently proposed to both House and Senate Committees that parity formulas be overhauled. He states, and rightfully so, that production of some grains has become highly mechanized, that they can now be grown cheaper than was formerly the case, while on the other hand items such as milk and meat cost more to produce, and parity prices on such items do not furnish sufficient returns. He feels that the parity formula should take into consideration technological changes and shifts in demand for farm products.

Primary receipts of wheat today totaled 1,756,000 bu as compared with 1,681,000 bu a week ago and 1,745,000 bu the comparable day of last year. So far this week Minneapolis and Kansas City stocks show a combined decrease of 96,000 bu.

Although snow fell in parts of northern Illinois and Indiana, weather was clear over the major portion of the winter wheat belt, and warmer weather seems to be in the making. Reports on winter wheat continue highly promising.

During the session brokers allied with exporting houses were not quite as aggressive in picking up corn as during yesterday's session. Nevertheless, there was good support in all pits and closing prices were near the high of the day.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 26, 1947

It is still too early to arrive at any accurate estimates of European crops for this year, and it probably will be several weeks before more definite information is received as to the amount of winter killing, etc. Previous reports indicate that there apparently has been damage. We also know that shortage of fertilizer, machinery, and transportation has handicapped farmers. However, in looking over statistics, it would appear that Europe will still need a great deal of assistance from the exporting countries. In a period preceding the war, apparent wheat consumption of Europe was running close to 2 billion bu, during which period world shipments of wheat and flour to Europe ran between 350 million bu to as high as 477 million bu. In 1946, the European wheat crop was estimated at 1,350 million, while for the 1935-39 period the average was 1,670 million bu. All other grain crops have also suffered a reduction. Europe produced 1,360 million bu oats in 1946, as compared with an average of 1,747 million between the years 1935 to 1939. The rye crop last year was 610 million acres against an average of 899 million in the period mentioned above, and barley, 621 million acres against 736 million. Animal production also suffered severe losses. The number of hogs dropping to around 46 million animals vs. 82 million between the average period of 1936 to 1940. One must draw the conclusion that demands on exporting countries will still be heavy, although the present high price structure may have some effect on European requirements.

Broomhall, in commenting on the Argentine corn situation, estimates the new crop at 315 million bu, of which there should be a surplus of 235 million bu for export in 1947-48. However, doubt is expressed in some quarters whether the Argentine government will be able to sell the entire corn surplus at high prices. South Africa will probably not be a buyer this season, and Britain's requirements may be only 700,000 tons instead of early estimates of 1 million tons, as her livestock population has suffered some losses through floods. Furthermore, exports which are now going forward from the United States may satisfy a good deal of the demand prior to the movement of the Argentine crop in June.

Our government weekly weather and crop report states that winter wheat is greening northward to the lower lake region, and while continued cold weather and wet fields in the South have slowed growth and development, many reports indicate improvement, with little evidence of winter kill in the northern areas. Texas is reported to be making excellent progress and wheat is greening in Kansas. All in all present indications are for a very large wheat crop, with a prospective planting of all wheat approximately 75 3/4 million acres as against 71 1/2 million in 1946, and an average of 66 1/2 million acres in the ten-year period from 1936 to 1945. In fact, at the moment prospects are for an acreage 107% of the 1947 goal. The prospective acreage in oats is 104% of the 1947 goal, and indicated plantings of corn point to 96% of the 1947 goal. Of course, this latter cereal with the present price of corn may attract a larger acreage.

Primary receipts of wheat today totaled 987,000 bu as compared with 929,000 bu a week ago and 633,000 on comparable day of last year. So far this week Kansas City and Minneapolis stocks show a total decrease of 92,000 bu.

All markets were again very strong today with cash premiums for wheat unchanged from yesterday to slightly higher, with #1 hard wheat selling in Kansas City at 26 to 26 1/2¢ over the May, while in Wichita and Hutchinson premiums were running 27¢ over the May. The CCC seems to be in the market again in Kansas City for a little more July wheat on a basis, in store, of 3¢ over the July future. We do not know whether these purchases are for export shipments for further commitment for Crop Insurance but in view of the extremely tight situation in cash wheat, we appreciate that if feasible it would greatly ease the situation if the CCC could exchange some new crop wheat for some that has been contracted for May. 2 or 3 million bu, while not a large quantity, would tend to loosen up the present tightness.

Corn again led the advance in the futures market. There was slightly over a million bu purchased by the CCC yesterday and exporters still do not seem to have filled their requirements. Up to the present time, the private trade has been purchasing 15.50 moisture corn but the CCC has insisted on 14.50% up to today. It seems increasingly difficult to get this low moisture corn and it is believed in some quarters that the government agency may take the higher moisture corn although there has been no announcement up to the present time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 27, 1947

Toward the end of 1946 and the very early part of this year, it was very freely predicted by economists, both in the employ of the government and others, that we would witness a business recession in the early part of 1947, and also, a decline in living costs, particularly on such items as food. Contrary to these prognostications, the cost of living has been rising, and grains have witnessed a considerable advance. Apparently in official quarters, the inflationary tendency is causing concern, as yesterday President Truman appealed to businessmen for lower prices, hoping that they would see the inflationary dangers of rising costs. Along the same lines, Secretary of the Treasury Snyder informed a business conference that labor must not make over-demands, or they will force prices up, and that he saw indications that some big industries were planning on cutting prices in the near future.

Whether these statements had an actual effect on our market is questionable, but there seemed to be an overnight accumulation of some selling orders, which found very poor support, and after running into stop-loss orders, considerably lower quotations were registered. In fact, at one time during the session May wheat sold down almost the full permissible limit for the day. Corn also lacked the support from exporters that it has been receiving for the last few sessions, and from what we could gather there was much less activity in export corn circles. It is presumed that Italy has about completed the purchase of their May allocation, and other sources were not aggressive. The Chicago office of Commodity Credit has been on the sidelines for a few days, and for the moment there seems to be a lull in the inquiry for corn. We have pointed out in a number of our market letters recently that present advances in wheat and corn have not been caused by undue speculation but rather to the purchasing and exporting of large quantities of grain, particularly at a time when supplies are usually dwindling. As the Boards of Trade are always the "whipping boys" for whatever happens to prices, we read with interest the statement by Rep. Albert L. Reeves, Jr. of Kansas City, to the House of Representatives. Using his own words: "Skyrocketing prices were caused by the administration's expanding program of purchasing wheat and flour for export in the face of dwindling available supplies." He further states that it was done "with reckless disregard for consequences, and that by the time the planners could see the consequences of such a program and government purchases suspended, it was too late, and the pattern had been set and conditions created for the extraordinary price increases which followed." We cannot point out too many times that action of the speculators is not the dominating factor in the market and that cash wheat is still commanding very considerable premiums over the futures price.

According to authoritative information, Commodity Credit Corporation's purchases of wheat, which had been made recently in Kansas City for July delivery, will take the place of wheat which had previously been borrowed from the Federal Crop Insurance Corporation. There was some thought that this might be a move to exchange July purchases for May purchases but apparently this wheat has been included in the export plans of government agencies. There is presumed to be about 4 million bu involved, which if added to the amount which the CCC controlled after May allocations would leave somewhere in the neighborhood of 7 1/2 million bu available for June shipment. Officials of Commodity Credit Corporation have also denied that the government is out of the flour market, although present holdings are large enough for immediate requirements. They indicate that more flour will have to be bought to fill commitments prior to June 30th. It is likely that their purchases will not be as heavy from now on. The CCC has been buying mainly for UNRRA and for the Army, and while the latter needs are expected to continue the program of UNRRA has nearly reached an end in relief feeding in occupied areas.

Primary receipts of wheat today totaled 1,112,000 bu compared with 1,163,000 bu last week and 1,094,000 bu last year. So far this week, stocks of wheat at Kansas City and Minneapolis show a decrease of 278,000 bu.

As the session progressed, additional selling orders came into all pits, but found little support. At the close all futures of wheat were off the full permissible 10¢ limit, and all futures of corn also were down their full limit, oats showing a little more resistance.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 28, 1947

One of the prominent United States grain firms points out: "Exports of flour and grain from this country are running ahead of last year. While exports from Canada and Argentina are disappointing, especially in view of the increased production in those countries, let us not forget that of the major wheat exporting nations only in the United States have farmers been paid the full world prices for wheat and other grains." The report continued, "Let all nations that would place further restrictions on private trading note well the results which incentive payments have produced in the present world food emergency." The U.S. since August 1st has supplied over half the 388 million bu wheat and flour that was shipped by the four largest exporting countries up to March 14, including the U.S.A., Canada, Argentina, and Australia. Inasmuch as our new-crop wheat will be available for export several months before Canada harvests her new crop, we will be called upon to continue to carry the burden, at least until the fall months.

Mills in our country continue to expand their production, and in January ground a record amount of wheat for any month. They reached a total of 64.6 million bu, which is probably 20 million bu in excess of a normal month's domestic requirements. Therefore, their contribution to the export market is potentially well in excess of the current allocations. At the present time, the export business is slacker because so many of the foreign governments have filled their May quotas, but foreign countries are still requesting larger amounts of grain than we can supply. Our government has turned down requests from Yugoslavia in recent days, and also many other countries would take more if we could find it possible to ship larger quantities. Right at this time various foreign governments are meeting in London to draw up an International Wheat Agreement, but Argentina like on a previous occasion is again unwilling to cooperate. Nevertheless the other countries apparently are going ahead in formulating the agreement. U.S. delegates lack the authority to make it binding on our country, and the matter will have to be submitted to our Congress before it would be operative on our part. In any event it would seem impossible that the United States could conform to the 16% quota of world export shipments on the next crop, inasmuch as we are currently supplying over 50% of world import needs.

When markets opened this morning, there was much less grain offered in the pits than had been anticipated. This was particularly so in corn. Probably one of the steadying effects was the news that the CCC was willing to accept offers of corn in the Chicago area on basis of 15.50% moisture, and were actively making contracts for thirty-day delivery. The country had offered large quantities of corn, both overnight and this morning, but buyers reduced their prices, so that there was not actually a large business consummated. A great deal of the May allocation private business has been done with foreign claimants; so it would seem that Commodity Credit is the largest potential buyer.

The Department of Agriculture in interpreting the farmers' intentions to plant states that if average yields are secured, production of corn, oats, barley and grain sorghums in 1947 would total a little over 115 million tons, which is about 10 million tons under the 1946 production. The intended acreage of soybeans is about 6% larger and flax about 70% in excess of last year. If these crops have average yields or somewhat less than last year and the usual proportions of these crops are crushed, the production of linseed and soybean meal would be about 1% larger than the current year.

Primary receipts of wheat continue to hold up well being 1,660,000 bu against 1,335,000 bu last week and 957,000 bu a year ago. The stocks of wheat in Kansas City and Minneapolis have decreased 368,000 bu so far this week but it is difficult to make a comparison with last year's 2,326,000 bu decrease in the visible supply due to possible changes in port stocks.

The market was quite erratic throughout the session with some belief that liquidation had run its course, at least temporarily, as traders are more accustomed to these higher levels. The market lacks the balance wheel of short hedges which is a normal condition and such is likely to be the case until the trade secures some terminal stocks which would be hedged, affording a proper balance wheel.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

March 31, 1947

Unless any action is taken by the two Houses of Congress and the Bill signed by the President, the second War Powers Act will expire at midnight tonight giving governmental authority unlimited power to ration and parcel out scarce materials. The Joint Conference Committee of the House and Senate last Friday recommended the extension of certain scarce articles, such as sugar, but specifically eliminated grains. If the power to allocate grain shipments to Europe would expire as of midnight tonight, then under the existing regulations, governmental agencies would still have the authority to license export shipments of grains until June 30th and this should effectively control the export distribution until that time. As to what supplemental legislation will be passed, it is hard to venture an opinion, and under the circumstances, traders are anxiously looking to Washington for the final decision. The Office of Defense Transportation would also pass out of the picture at midnight tonight although it is probably that Congressional action will extend the powers of that agency until June 30th. Col. J. Monroe Johnson, the Director of ODT, has repeatedly stressed that the agency should be discontinued as early as possible as he apparently feels that the Interstate Commerce Commission, of which he is also a member, can properly perform many of the numerous duties of the ODT.

Since our last Market Letter of Friday, parity prices, as of March 15th, were released. Parity on wheat was advanced 7¢ to $2.02 from the February 15th figure of $1.95, and other farm products in proportion. Parity on corn was raised 5¢. This was reflected in the market on Saturday by strength in the more deferred futures representing the new crop. Of course, the refiguring of parity each month is more or less of an endless chain, and as grain prices advance, they pull up the parity prices.

There is nothing new from the World's Wheat Conference. Argentina has apparently balked at the terms of the Agreement and neither Russia nor The Balkans are represented at the Conference. Representatives of the U.S. have apparently agreed to concur in the discussions although no definite action can be taken without the consent of Congress. We have found great difficulty in this country in arriving at any farm program that meets with the approval of our own citizens, and it looks like an impossible situation to try to satisfy the exporters and importers of the entire world, and if we are to remain a democracy, as so ably expressed by Dr. Virgil Jordan in his address entitled, "The Bible of a Free Economy" - "A free economy means one that rests on free markets in which prices and wages are determined and resources are allocated by free competition and not by private or public monopoly or government regulations." He further points out that in the thirty years of the great crusade for the survival of democracy, that the "Nazi and Fascism brands of Socialism and State Capitalism were destroyed and that their bad names and members abolished, but their economic systems have been absorbed by this and every other country."

Unfavorable weather has been delaying spring work, and particularly, the seeding of oats. The Baldwin Elevator Co. reports that the growth of wheat in Illinois has been retarded although the plant, with the present supply of top soil moisture, will respond rapidly to sunshine and warm weather. The general outlook for winter wheat remains highly favorable. We have received a number of reports today from different sections of Kansas, Texas and Oklahoma which point out that conditions are practically perfect, with the exception of more or less segregated areas where wind damage has taken some toll.

Primary receipts of wheat today totaled 1,990,000 bu as compared with 2,023,000 bu a week ago, and 981,000 bu comparable day last year. When the visible was posted wheat stocks showed a decrease of 646,000 bu, and now totals 28,488,000 bu, or 560,000 bu more than a year ago. Chicago stocks of wheat increased 37,000 bu, for a total of 765,000 bu; corn stocks decreased 428,000 bu, while oats showed an increase of 729,000 bu.

Weakness was expressed in all pits throughout the session, and supporting orders, which had been noticeable in the past, seemed to be lacking. Cash premiums in the Southwest again eased to about 16 over in Kansas City and there does not seem to be much support from milling industries. The PMA has not been aggressively acquiring flour at present market levels. In fact the export business in flour at the moment is rather inactive. The Chicago office of CCC purchased 665,000 bu of corn on Friday. More attention is now being paid to corn due to the fact that competition from the Argentine will probably be felt in the near future.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

April 1, 1947

Many of the details are lacking on the extension of the Second ar Powers Act, but at the extreme it appears that under the extension f the limited powers granted by Congress, controls pertaining to grain ould last only until June 30th. Two Department heads are quoted as aying that allocations for grain and grain products would be carried ut under the provisions of this law, but in any event, authority xists under other laws to license these exports, so one way or another, t seems perfectly clear that the government will exercise such control or the balance of this crop season. Meanwhile, the market shows the esults of a lull in additional contracting for export grains. uthorities state that the inquiry by foreign governments for flour is t a near standstill but the decline in the price of wheat has put the arket at levels which again make it possible for PMA to purchase flour t their previous level of $6.40 gulf, or a corresponding price at the tlantic. They bought 150,000 sacks yesterday in ten or twelve different lots. The corn inquiry has slowed up considerably, but England s now said to be asking for four cargoes on their allocation. Meanhile, Argentina reports an 8 million bu trade recently consummated ith The Netherlands for May, June, July shipment at a price equal to 1.66 at the Argentine port, or equal to $2.10 delivered to The etherlands, which is considerably cheaper than the value of American orn for an approximate like shipping time. While freight rates from ur Atlantic ports are naturally cheaper than those from the Argentine, ur corn is priced higher, and it would cost about 15¢ a bu more if hipped from the United States. There may, however, be various credit rrangements that will help the sale of our corn, but outside of such onditions it would seem that Argentina will prove a definite competior, inasmuch as their new crop now being picked will provide a sizeble export balance. Some estimates have run as high as 235 million u. The CCC continues to report purchases of corn from interior shipers, with 390,000 bu bought through their Chicago office yesterday. here is a feeling in the trade, however, that this agency, as well as he private trade, may be pretty well along towards completion of the uantity necessary for May allocations.

The Santa Fe Railroad reports conditions of the new wheat crop in erritories which they serve, with very optimistic remarks, and by nference thinks that Kansas may actually break the previous record of 51 million bu and that Oklahoma may make a new record over the 88 illion bu produced in 1946. Nebraska is not quite so good on account f wind damage in western areas. World crop conditions are not like he United States, and it is pointed out by the Canadian Bureau of tatistics that the European wheat requirements in 1947-48 crop-year ay be just as heavy as in the current year, and presage another year f shortages. India has a moderately good crop but imports will still e required. They stated there are no indications that Australia and rgentina will seed increased acreages of wheat but in Canada soil oisture conditions are reported good, but it is much too early to azard a production estimate.

The Wall Street Journal reminds us that farm product prices are p over one-third in twelve months and are 200% above the August, 1939 evel. Farm staples worth $1 then now bring $3. Parity is far below s farm products average 22% above parity. Some crops have climbed way from the "fair return" level as soybeans are now bringing 160% f parity, hogs 159%, beef cattle 149%, wheat 121%, cotton 112%, milk 21%; grapefruit now brings only 31% of parity and oranges 39%. They oint out that farm efficiency has increased as more machines, more ertilizer and better seed lead the fight to take more wealth from ields with less effort. U.S. farms had about 200,000 tractors in 920; fifteen years later, they had five times that number, and today, hey have eleven times the 1920 total. A quarter of a century ago, here were 100 horses for each tractor; today there are three. ommercial fertilizer is dumped on fields in twice as heavy volume as en years ago. About 40% of all farm land is now in farms of over ,000 acres and compares with less than 25% just before World War I.

Primary receipts of wheat continue at about 1 3/4 million bu, equal o last week, but compare with 1 1/4 million bu a year ago. Stocks in ansas City and Minneapolis show a decrease of 84,000 bu so far this eek.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

April 2, 1947.

The Bureau of Agricultural Economics of the Department of Agriculture in their March release states that farm income for the first four months of 1947 will amount to $7.7 billion from the sale of farm products and government payments. This compares with $6.1 billion during the comparable period of last year, or an increase of approximately 26%. With government payments probably 40% less than a year ago, the increase in income has come about from higher grain prices and heavier marketing of livestock. They further state, and we quote: "For some products export demand now promises to be larger than had been expected, and prices of those products have risen since mid-February, following government purchases for export and speculative anticipation of future export requirements." The same source states that exports of wheat, and flour in wheat equivalent, will total about 350 million bu --the second largest year on record. Figuring total supplies at the beginning of the season at 1,256 million bu, the BAE estimates the carryover of wheat at the end of this crop-year between 100 and 125 million bu, which would compare with the average carryover in the ten-year period, 1932-41, of 235 million bu.

This agency also mentions that according to present intentions the 1947-48 supply of feed grains will be a little smaller than this year. Intentions as indicated on March 4th were for a 3% decrease in corn acreage, a 1% decrease in oats, 11% decrease in sorghums, and an increase of about 1% in barley. Assuming that yields will be average, production of the four feed grains in the new crop -year will be about 7% smaller than the record production of this season.

Crop reports in this country remain of a highly optimistic nature. Our government weekly weather and crop report states that continued cold weather and wet fields have retarded soil preparation for the seeding of corn and cotton, except in Texas, Oklahoma, and Kansas, and a few far southwestern areas. As far as small grains are concerned, growth has been somewhat retarded by weather conditions and soil preparation, and seeding delayed. However, they report that wheat is greening up as far north as the southern lake region, and that the crop appears to be in very good condition. The Kansas weekly weather and crop report states that winter wheat has made rapid growth in southern areas and is stooling well in the northern counties. Damage from winter kill has apparently been very light. Commenting on European conditions, Broomhall says that the new crop in sections of Britain, France, and Italy are not as bad as first believed, and that there is some improvement in both labor and mechanical conditions. The abandonment in Rumania is estimated at only 5% above normal. Conditions in Italy are said to be favorable with most of the crops in good condition. Spain and Portugal apparently are headed for good crops, and South Africa is no longer on the import list. Broomhall further comments that there is every reason to believe that total world supplies of wheat next season will be as large if not larger than any pre-war year, and he anticipates the import demand will continue active provided loans are made and dollars are available to purchase the food.

Primary receipts of wheat today totaled 988,000 bu as compared with 987,000 bu a week ago and 509,000 bu on the comparable day of last year. So far this week, stocks at Kansas City and Minneapolis show a total net decrease of 34,000 bu.

While the PMA apparently accepted rather heavy flour offerings yesterday, it was reported that they were consolidating their purchases and were temporarily out of the market. Export flour business has been rather quiet as most European countries have completed their allocations and the restoration of licensing Latin-American business has affected inquiries from that quarter.

Wheat was under liquidation during most of the session and as lower prices were reached stop-loss orders were uncovered and wheat declined the permissible limit for the day. Support was also lacking in the corn market, but in the early part of the session that cereal received some encouragement from the fact that India was inquiring for over 2 million bu. However, the CCC was out of the corn market in both Chicago and Kansas City with no statement as to when they would be back, and at one time corn also suffered full declines allowed during one session. In the last few minutes both wheat and corn showed some recovery. Weakness in other pits affected oats, although liquidation was not as severe and declines more limited.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 3, 1947.

The trade is not as well informed on statistics pertaining to exports of grain as it was before the war, yet this is the most vital type of information necessary at the present time, because it is the cause of high prices and the continual drain on U. S. supplies, as well as keeping our carryover down to dangerously low levels. Even though we have an outlook for a record wheat crop the coming season, no one can say for sure that it will bring about a correction in the amount of wheat we carry from one year to the next. For a correct balance this should be considerably more than the approximately 100 million bu which we have been carrying, as that is considerably under what used to be normal, even when we had a much smaller population than at the present time.

For the season ending August 1st last year, world shipments of wheat and flour were 827 million bu, exported from the four large shipping countries: the United States, Canada, Argentina, and Australia, but from what we gather they will be smaller than that this year even though the demand is just as great. Sanford Evans compiles the most complete statistics available, and he estimates from August 1st to March 21st Canada had shipped 136 million bu, the United States 211 million, Argentina 23 million, and Australia 28 million bu. This is a total of 400 million bu, and if all these countries reduced their carryovers to about equal those of last year, there could be another 400 million bu exported. In his appraisal of home requirements for various uses, one might differ as to the quantity to be retained for these purposes, but in any event it would not make any substantial change. Even though the United States, which bears the brunt of these shipments, Canada and Australia might ship their entire surplus from the year's production, the Argentine is so far behind that it is most unlikely that they will get their stocks down to last year's carryover. It would mean that they would have to ship 98 million bu for the balance of the season, whereas they have shipped only 23 million bu so far. Recently THE TIMES in Argentina commented on the redtape and general inefficiency that was leading to rapid deterioration at their ports. So it seems unlikely that they could have the great improvement necessary to increase these shipments so heavily. It would then appear that world shipments would be materially below the 800 million-bu level, in which case it would mean that the European importing nations would still have only a negligible carryover at the start of their new crop-year.

Late yesterday afternoon, PMA re-entered the flour market at a 20¢ per CWT lower level, and were accepting offers at $6.20 basis the gulf, $6.40 Atlantic, and $5.70 on the West Coast for enriched flour. It was stated that they had bought anywhere from 1 1/4 to 2 million cwt. thus far this week. This is apparently the only sizeable flour business currently contracted for, and domestic prices have been reduced 25 to 30¢ for hard wheat flour in eastern areas.

Overnight Holland bought 180,000 bu corn on their May allocation to be shipped from the Atlantic seaboard. This completed their quota. Broomhall tells us that any day the Argentine government is expected to come out with an estimate of the corn crop, but he believes that the exportable surplus may exceed 288 million bu. This would compare with his estimate about a week ago of 235 million bu, which at that time was in excess of previous estimates. He believes that because of the poor railroad facilities this surplus could not be moved to ports, and in fact, he believes that Argentine transportation will not be back to normal for many years.

In our country the corn-hog ratio is becoming less favorable, and for the week ending March 29th, it was 14.1 as compared with 15.6 the previous week, and 12.2 a year ago.

During the session, it was said the PMA was not buying flour but we also heard another report that it was their intention to buy only after the close of the grain market, so at this point, it is not definite just how the matter stands although in any event PMA is unaggressive.

Primary receipts of wheat were about 1 1/4 million bu, slightly more than last week, and 1/2 million bu larger than a year ago. The net change of wheat stocks in Kansas City and Minneapolis shows a decrease of 174,000 bu so far this week.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

April 7, 1947.

When the parity concept was first formulated, we doubt very much whether the question of inflation was ever considered. The main hope was to establish a proper balance between the articles which farmers bought and the products of the soil, which at that time constituted their main income, because there were no bounties or special payments for soil erosion or for acreage reduction. Unfortunately during a period of rising prices, parity has worked out quite differently than was originally intended. At the present time it is not only feeding on itself, but seems to gain momentum for the reason that there are a great many farmers who do not raise enough feed for their own purposes, and consequently if they buy it from others at elevated prices parity seems to go up by leaps and bounds. Last month there was a tremendous advance all along the line, thus affecting those basic commodities on which a 90% loan is operative. This all comes at a time when the government is no longer interested to the extent of encouraging higher farm levels. As a matter of fact the President and other high officials have registered protests from time to time in view of the factthat it is fully appreciated that it will be difficult to keep labor satisfied unless the general trend of commodities can be reversed. It is, of course, difficult to believe that, even with an enormous crop in sight for next summer, that really low prices will prevail when the wheat loan based on present parity would be more than $2 per bu at Chicago. On the other hand, if exports are maintained on a basis at which the United States will furnish a large percentage of world requirements, it is not likely either that the government will sustain very heavy losses in their operations.

This is far different from the situation that we had just prior to the war when accumulations were taking place, and when it was almost necessary for a war or for some unusual demand to prevent a second Farm Board era. Europe, of course, is hungry, and there is no indication that possibly outside of Russia there will be any big surpluses in the crop-year ahead. Whether those countries having a deficiency will be able to obtain sufficient dollar exchange or whether we shall extend them credit is, of course, another matter. This all complicates the picture for obviously with the present outlook for another bumper crop, present prices would appear very high except for the factors which we have just mentioned. Exporting nations must also realize that within the next three or four years there is going to be more competition, and Argentina has officially notified the International Wheat Conference, now meeting in London, that it will not become a party to any wheat agreement.

When we look at our own price level, we find that farmers on an average received $2.44 per bu for their wheat on March 15th compared with $1.99 a month earlier. In corn, the rise was almost as great in proportion with the middle of March figure, registering $1.50 return compared with $1.23 the middle of February. Car shortages have in some cases been responsible for the enhancement, although in the main it was the export business and the vigor with which governmental agencies worked. We have pointed out many times in these letters that shipments of 20 to 25 million bu corn per month would not appear large in relation to the crop, but would loom very large in comparison with the primary movement and the ease of getting supplies to market.

When the visible supply of wheat was posted it showed a decrease of 606,000 bu, reducing the total in all positions to 27.8 million bu. While this is small it is about 2.7 million bu more on hand than for the similar period last year. Chicago stocks of wheat increased slightly, and there is still only 822,000 bu here. The corn visible showed an increase of 385,000 bu.

Grains opened somewhat lower, based to some extent on the favorable moisture conditions, and reports that the recent snow and rain has turned wheat fields green, their stands are uniform, and everything would indicate unusually small abandonment. Corn shared early in today's weakness, but all grains recovered and there was fairly good support. There was a rumor, but lacked confirmation, that our exports of wheat and flour might run as high as 400 million bu. We are inclined to doubt that, as it would leave us with almost a negligible carryover. May wheat was very strong, and gained considerably on the distant months.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
IEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 8, 1947.

The overnight grain news was somewhat bullish. Supplementary grain allocations had been granted for April and May shipments by the Department of Agriculture. This was in addition to commitments already on the books, and covered about 11 million bu grain to be shipped during the next two months, consisting of nearly 9 million bu flour in terms of wheat equivalent. At a time when cash wheat is strong in all markets and bringing big premiums over May futures, and with visible supplies dwindling, naturally this was bound to have most effect on the nearby deliveries in the various markets, but it also affected the new-crop months as well. The buying also spread to other pits and we had strength in corn during the first few minutes of trade, which might have continued except for another development that was of equal importance: namely, the President's announcement that he had called Cabinet Members into special session to consider the price situation. Mr. Nourse, Chairman of the President's Economic Advisory Council, told newsmen that Mr. Truman was very much concerned with price problems, and, therefore, this matter was up for immediate consideration in an effort to see what could be accomplished. The administration is fearful that unless some downward revisions are made in sufficient numbers to take off pressure on wage adjustments, we may have more strikes and other repercussions. The grain trade, of course, has no way of knowing whether any specific governmental action will be passed. It seems hardly likely that price controls will be reinstated, but on the other hand this factor has not been entirely ruled out.

In these circumstances, it is not surprising, therefore, that all commodity markets were quite erratic again today. As we have mentioned in so many of our letters, most of the advance which has taken place during the past ten months was due to government buying and operations in connection with our export program, which has apparently gained momentum ever since the season started. At the outset we had figured on wheat and flour shipments of 267 million bu, which would have given us a reserve stock next July of about 200 million bu or not much under the normal figure. However, as new foreign claimants came here, suppliants for wheat and flour as well as for corn and other cereals, we gradually stepped up the export goal until now it is even hinted that 400 million bu wheat and flour may be shipped before another crop is harvested. On that basis we would immediately be dependent upon new supplies, and if anything should happen to delay the early run of wheat, it could, of course, cause great embarrassment to our domestic economy. There were some advices from Washington suggesting that Secretary Anderson had not yet committed himself on an export program for next year, but that there might be a range from 200 to 300 million bu wheat and flour rather than any fixed export goal, such as we have had in the present crop-year. On that basis we might gradually get back to a more normal carryover, particularly if present crop prospects are maintained.

The primary movement of wheat is keeping up pretty well, and amounted to nearly 2 million bu today compared with 1,744,000 bu last week and 1,053,000 bu last year. Kansas City and Minneapolis stocks so far this week show a decrease of only 23,000 bu.

After midsession the stock market turned very weak, and apparently was influenced also by the meeting of the President with his advisors to consider the matter of lower price levels. There seemed to be a fair amount of liquidation in all pits, and even oats, which were influenced by the lateness of the season, finally yielded ground, although the May delivery showed some resistance. Routine matters received very little attention, although weather and crop conditions in the winter wheat areas remain ideal, but the same is not true in Europe where a severe winter apparently has taken a heavy toll. Chances are that imports during the coming season will again be very large. Other exporting countries, such as Argentina, are taking full advantage of this factor, and prices ruling in that country are considerably higher than those prevailing here. It will be rather difficult to have any decisive thought on market values with so many artificial factors entering into the situation. Perhaps by tomorrow we shall know more of the attitude of Mr. Truman and his Advisors with respect to any possible action which is being entertained. It seems almost inconceivable that price controls will be resurrected in view of past experience.

May wheat, which was very strong earlier in the session, was also subjected to a fair amount of selling, and lost some of its premium over the deferred months, but still it is difficult to see where shorts can find great comfort so long as the amounts of cash wheat at most markets remain small.

UHLMANN GRAIN CO.

[illegible] COMPANY

[illegible]t grain news was somewhat bullish. [illegible] ions had been granted for April [illegible] of Agriculture. This was in addition to [illegible] the books, and covered about [illegible] during the next two months, [illegible] in terms of wheat equivalent. As a [illegible] in all markets and bringing [illegible] prices over [illegible] sible surplus [illegible], naturally this was [illegible] t on the nearby deliveries in the various markets, but it [illegible] d the new-crop months as well. The [illegible] and we had strength in corn during the first [illegible] h might have continued except [illegible]

[illegible]lied Cabinet went into special session to consider the [illegible] question. Mr. Hoover, [illegible] told newsmen that Mr. [illegible] problems; [illegible] this matter [illegible] operation in an effort [illegible] depression is [illegible] unless [illegible] sufficient numbers [illegible] have more [illegible] has no way of [illegible] be passed. It [illegible] hardly likely that price [illegible] instated, but on the other hand this factor has not been [illegible] ted out.

In these circumstances, it is not surprising, [illegible] commodity markets were [illegible] tioned in so many of our letters, [illegible] place during the past two months was due to [illegible] operations in connection with the export [illegible] ly reduced [illegible] price since [illegible] ned figured [illegible] have [illegible] ng much under the [illegible] we have, [illegible] very complete, [illegible] even hinted that 300 million [illegible] another crop [illegible] upon new supplies [illegible] supply [illegible] to our domestic economy. [illegible] ing that [illegible] export program for next year, [illegible] 0 to 300 million [illegible] wheat and [illegible] such as we have had in the present [illegible] ld gradually get back to a more normal character, [illegible]

[illegible] ded to [illegible] 1,7[illegible] and 1,052,[illegible] last year. [illegible] this week shows a decrease of only 25,000 bu.

After [illegible] the stock market [illegible] week, [illegible] also by the [illegible] to consider the matter of lower price levels. [illegible] fair amount of liquidation in all pits, and even oats, [illegible] d by the lateness of the season; [illegible] May delivery showed some resistance. [illegible] little attention, although weather and crop conditions [illegible] remain ideal, but the same is not true in [illegible]

[illegible] coming season will [illegible] very large. [illegible] entina; [illegible] full [illegible] in that country are considerably [illegible] will [illegible] rather [illegible] to have [illegible] with so many artificial [illegible] now we shall [illegible] Argentina [illegible] it [illegible] almost incapable [illegible] in view of past [illegible] the [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 9, 1947.

As a general rule demand is something that fluctuates widely according to consumers' wants, fancies, whims, or passions. In the long run, however, it is difficult to talk prices up or down unless there is some foundation for believing that there will be a change in values based upon economic factors. Speculation is the forecasting of changes in value, and buying or selling occurs when people try to take advantage of such possibilities. There is little doubt in our minds that yesterday's break in the market was largely technical. Informed sources were of the opinion that Washington considered prices too high, and this undoubtedly is the reason that the President had called his Cabinet, together with certain economic advisors, to discuss all phases pertaining to this important question. The way the matter now stands deliberations have been concluded with the Chairman of the Federal Reserve Board present at the meeting, and also the Director of the Budget, but after adjournment, the Presidential Secretary stated that no plans of action were discussed and that the purpose of the meeting was merely to get information. It was not called because of any crisis or emergency.

The market responded more to other factors, and while prices were slightly lower at the opening, it was immediately apparent that the lateness in the season might affect planting of oats, and already some complaints have been heard from various parts of the country. The recent moisture has been extraordinarily heavy for this time of year. It is, of course, beneficial for wheat, and very likely few complaints can be heard of dry soil conditions for the next thirty days, even assuming that there is nothing further in the way of precipitation. In the Northwest, as we look at the report for the four important states during the past week, we find that practically every reporting station had some rain, and in one or two places there was more than two inches of moisture. Thus spring wheat should get off to a marvelous start, and we had direct word from the Northwest that subsoil moisture is highly satisfactory, and probably what is needed most at the present time is some nice drying weather so that farmers can get into the fields. Seeding is really not nearly as late as many would believe, and it is safe for sowings to continue until middle of May and still get a good crop. Of course, by comparison with last year when much of the seeding was accomplished in March and early April, there may be some apprehension, but certainly no danger up to the present time.

Other news was about the same as heretofore, except that PMA may not make immediate purchases of flour during June. Whether or not this is actually true cannot be definitely stated here but in any case we believe that our carryover reserve will be down to small proportions on July 1st.

Primary receipts of wheat were smaller today and amounted to only 894,000 bu compared with 988,000 bu last week, and 439,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 65,000 bu.

There were times when our market was reasonably firm, and this may have been due to the fact that May wheat became strong; one of the cash houses was buying the nearby delivery against sales of July at 34 1/2¢ difference, which is almost as wide as the spread has been at any time. Furthermore, cash wheat at Kansas City was 21¢ over their May future, also indicating a keen demand, although quantities changing hands are very small. On the other hand, it will not be long now before the next harvest. There was a report on the broadtape that in Texas harvest may start about May 20th, which would be 12 days later than last year. However, a great shortage of boxcars is facing growers, and this, of course, could easily delay the movement to market. The Traffic Manager of the Fort Worth Chamber of Commerce stated there were not enough boxcars to handle even a portion of the wheat first expected from Texas and Oklahoma.

Coarse grains were quite strong, and as we have stated before, lateness of the season is bringing some buying into the oat market, plus the fact that the demand from the East has likewise been better. It was reported that a cargo of corn had been sold to Venezuela.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 10, 1947.

There was no particular grain news before the opening of our market this morning. However, there had been rather widespread rains reported again in southwestern localities and the chances are that they will move eastward. In fact, some precipitation has already been reported in the Central States. This should all be very beneficial for the wheat crop, but on the other hand it further delays oat seeding, and to that extent has had its market effect. First prices in wheat were firm and especially for the May delivery, which is really in a class by itself. The government has done almost everything in its power to take care of European requirements within reason, and gradually as the season progressed larger amounts were allocated from time to time, so that now it appears likely that our carryover reserve on July 1st will be reduced to very small proportions. After the close of the market tonight we may have a little better picture because of the fact that the government will estimate farm reserves, and here agai we believe that a rather bullish figure is to be expected. Fortunately prospects for the next crop are so good that if we have an early movement no ill effects will be had on our economy. On the other hand if the season is late, and it is indicated in parts of Texas that it will not be as early as last year, there might be a further gap between old and new-crop positions. This is undoubtedly the reason for the very wide spreads that exist between May and July wheat, not only here but in other markets as well.

Apparently nothing further was forthcoming from the President's Conference with his advisors and Cabinet. At a press conference today Mr.Truman stated that the responsibility for price reductions now rested squarely with the nation's businessmen. As he put it, they wanted free enterprise and now he would like to see them make it work. On one point, questioned as to whether large farm surpluses in Europe would change the situation, he replied that if that should happen it would naturally alter the outlook for United States commodity price supports. This, however, is not so much of a factor as we see it, for the reason that Europe is still short of foods, and we see little chance for a major change even after the next harvest. There has been probably some crop improvement in Italy, and possibly in France, but Britain is still short, and we expect to see another season of heavy imports. This, of course, would have its bearing on the July futures as well, and the fact that it is selling at a premium of about 5¢ over September indicates that there is apt to be a fairly good demand for the first run of wheat, particularly if car shortages continue.

The corn-hog feed ratio for the past week has shown some decline, and is now rated at 13.5 compared with 14.1 the previous week, and 12.2 for the comparable period a year ago. In other words, it is not quite as profitable feeding as heretofore, but still attractive enough to make it worth while for farmers to continue these operations.

Primary receipts of wheat amounted to 1,181,000 bu compared wit 1,294,000 bu last week, and 773,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 19,000 bu.

Statistics do not seem to count for much; the trade is more or less prepared for a very bearish report on fine winter wheat prospects, and this was the reason that new crop futures were rather weak in spite of the great strength in cash wheat. It is figured that with another bumper crop in sight that only export business will maintain prices at present high levels. Of course, the loan is bound to be a sustaining influence, and we figure that unless parity should drop during the next two or three months that farmers will be able to borrow more than $2.00 per bu basis wheat at Chicago.

There apparently was some export business in corn, and we have been asked the question why this is possible. The answer is probably inBroomhall's explanation that the freight rate on corn to Europe is now 44¢ per bu from Argentina, and only 25 to 30¢ per bu from the Unite States. This makes American corn approximately 34¢ per bu cheaper than Argentine varieties delivered at European ports. Under the circumstances, there may be further business fromhere, particularly if wheat and flour are not obtainable in the quantities which are desired. Thus, it is rather difficult to judge the corn market, even after we know what farm reserves are, because it seems rather difficult to build up any big reserves at terminals.

Oats are being influenced by wet weather, lateness of the season, and in some places in southern Illinois we are told that farmer are attempting to seed oats in the mud, but of course this is a very difficult operation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 11, 1947.

After the market closed yesterday the government report was issued, and while it held no great surprises at least it confirmed cerain bullish and bearish aspects in the situation which had already een known. For example, farm reserves of wheat had been reduced to 140 million bu, which compared with 198 million bu last year and 186 illion bu the ten-year average. This, of course, is all due to the act that we have had an unprecedented demand from Europe, and the overnment has pushed the business about as quickly as possible, even hough allocations have held down the quantities for certain countries elow the levels at which some buyers had intended to purchase. Neverheless, it is a foregone conclusion now that our carryover reserve ill be small, and probably less than last year. We do not have all the acts and figures available, except that the visible supply is about he same as last year, but possibly the amount of wheat held by large ills is greater. If we had to make a guess now, we would figure that n July 1st the carryover would be somewhere inthe neighborhood of 85 o 90 million bu. This would ordinarily be a very dangerous situation, lthough with a bumper crop forecast and 973 million bu in sight for inter wheat alone, the only real danger might develop if there were wet harvest and the early arrivals were held up. Of course, nothing an be stated too definitely on spring wheat prospects except that a rop of 265 million bu is indicated in the coming crop-year, and this is a rather conservative figure based on acreage and splendid moisture onditions.

When our market opened this morning, prices were very firm, ndoubtedly influenced by the reduction in farm reserves, and even uly wheat was affected, because many people now believe that there ill be quite a scramble for new wheat after harvest. Naturally, a remium of 40¢ per bu or more for old wheat and a further premium for he cash wheat over the futures price is going to make present buyers esitant, so that domestically at least anyone who can wait will do so, iguring that time is a favorable element. Of course, we do not know o what extent the export program will continue based on present reationships, but even assuming that the flour shipments continue heavy e must bear in mind that while farmreserves are smaller than last year, ost of the mills are carrying about a 60-day grind, whereas last year nder OPA regulations they were not permitted to carry more than 21 ays' supply.

Attention, of course, also centered today on the farm reserves f corn and oats. The former were 262 million larger than a year ago, lthough during the past three months farm shipments have been heavy, nd this would not indicate any substantial increase in farm feeding. he oats stocks are 35 million bu smaller than last year, whereas on anuary 1st they were 78 million bu less, also indicating a smaller arm use. Under these circumstances, we shall probably have a reserve at stock July 1st about equal to last year.

Primary receipts of wheat today were 1,646,000 bu, last week as a holiday, and last year they amounted to only 574,000 bu. Kansas ity and Minneapolis stocks so far this week show a total decrease of 0,000 bu. When the visible supply is posted Monday there will be ome shrinkage, and it will compare with last year's decrease of ,663,000 bu.

Apparently there was a large short interest in the market, and ery heavy covering ran the July wheat up to $2.25, which is the highst price in some time. However, best prices could not hold, and ansas City reported a drop in premiums of about 5¢ per bu compared ith yesterday, but still present cash prices are tremendous based on uly futures. Oats at one time were very strong, but also yielded round when general weakness occurred in all pits.

With so many distortions it is rather difficult to have firm onvictions, and this we believe is the reason for so many erratic wings, not only in wheat but for other cereals also. At the last ll new crop wheat futures were lower, but May wheat gained a little round, thus widening the spreads further.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 14, 1947.

There was more rain over the weekend. Precipitation was heaviest at Enid, Oklahoma, where they had about 3 1/2 inches since Friday, and likewise about 2 inches at Wichita, Kansas, so that crop prospects for wheat are being well maintained. On the other hand, it also means slow progress in farm work in many localities where it will not be impossible to get into the fields, but moisture is such an important factor that we feel other considerations are in consequence, of minor importance. The season, however, is considered backward in varying degree in all but the West. The late spring has caused a heavy drain on feeds, and in some localities hay and roughage are nearly exhausted, but on the other hand feed grains are in ample supply As far as the winter wheat crop is concerned, it should progress without additional moisture for another thirty days, in view of the rains that we have had lately. Thus, there is no great probability of crop scares. However the condition is so high that almost any change is apt to be for the worse. Present production would be about 99 million bu larger than the record 1946 crop, and about 319 million bu larger than the ten-year average, 1936-45. On basis of the April 1st report, the abandonment is estimated to be less than 5% on the seeded acreage, which would be only about one-third of average. This, too, is an important factor coupled with the optimistic outlook of 17.2 bu per seeded acre to be realized against the ten-year average of only 13.9 bu.

With all this in mind it is rather difficult to have very bullish sentiments except that cash wheat is still in very good demand, despite the fact that the domestic flour business is poorer, and buyers are showing resistance to high prices. Therefore, comes the question whether the spread between May and July wheat, which stood about 40¢ Saturday, will narrow much from this point. We can hardly make a comparison with last year for the reason that prices then were under ceiling controls, and despite the fact that our carryover had been reduced to about 100 million bu on July 1st, it does not furnish us with a precedent price-wise, and, therefore, we shall have to see now, in view of a larger population and increased storage capacity in the country, how this will affect our economy if the reserve stock falls to about the same level or possibly a little below that of last year.

It was stated in foreign quarters that Britain is trying to obtain some Russian wheat supplies in order to ease their bread rationing, and Mr. Harold Wilson, Overseas Trade Secretary, is apparently flying to Moscow in an effort to arrange such matters. Great Britain purchased today two cargoes of United States corn, the equivalent of about 720,000 bu, and this will be cleared from Baltimore during last half May and last half June. Consequently, it can never be forgotten that the European demand is still extremely important, and it will naturally be an offset to the fine crop prospects, particularly since it will be some time yet before supplies in other exporting countries will be more plentiful.

The visible supply was late in being posted; Chicago stocks decreased 35,000 bu leaving 787,000 bu in this market.

Markets were all rather weak right from the start, and, of course, a sharp break in securities added somewhat to the more bearish sentiment. In addition to this cash wheat in the various markets was lower. At Kansas City, the basis was only 1 to 2¢ off, but there was greater weakness at Minneapolis where premiums declined as much as 3 to 5¢, and before we finish Chicago may still be a spring wheat market rather than one of winter wheat, which has been the thought right along. Difficult to say when navigation will open, but the first boat arrived at Superior yesterday, and another boat is trying to get through the ice at Duluth now.

Minneapolis and Duluth received 939 cars today compared with 608 last week and 230 a year ago. As a result their futures market also broke rather sharply. This in turn influenced the May futures in Chicago and in Kansas City, with the consequent narrowing of the spread. On the other hand there was considerable buying of new-crop futures, which may have been against export business, although possibly it was only speculative buying, with the more deferred months not so far from the possible loan level. Selling also came into coarse grains, with the result that corn and oats were weaker, although there were some recoveries from the low points of the day, but there also sentiment seems to be a little more mixed.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

April 15, 1947.

There is not much confidence on either the long or the short side of the wheat market at present. This is not difficult to understand when we review some of the factors in the situation. Most of the trade now is centering in the new crop positions, with the open interest largest in July, but also gaining in September, the latter being about as large as in May wheat. Despite the tremendous outlook for winter wheat suggesting yields of nearly a billion bushels, there are inverse carrying charges, which is just the opposite of what one could ordinarily expect. The theory behind this is that there will never be a heavy accumulation of supplies, particularly with the shortage of cars and the possibility of large shipments when the new crop is available. Moreover, it has always been our experience that while the total supply of carryover and crop finally determines the price, it makes a vast difference whether we come from a period of large reserves to a small crop or when the opposite prevails, as is presently the case: namely, a small carryover followed by a bumper crop. Under the latter condition, it takes a longer time to fill in the holes.

At the moment the domestic flour business is nearly at a standstill and naturally anybody who is a potential buyer and can wait will try to take advantage of the fact that new-crop positions are 35 to 40¢ cheaper than present levels, and possibly more if the premium situation is also included. All this spells caution for the short seller of futures, and particularly with the loan that is likely to be quite high based on the June 30th parity level. We have no way of guessing whether parity prices will go up or down, but in an attempt to figure out what common sense would dictate, we know that feed prices are somewhat lower now than they were a month ago. Likewise the type of lumber that farmers use is about 10% cheaper as of today than it was March 15th. Here again there is room for a good deal of controversy because the better grades of lumber are selling for more, and we have no idea how the people charged with fixing parity actually make their computations. We do know, however, that last month the question of feeds and lumber counted heavily in giving us the 7¢ increase in the wheat parity. The whole concept is so ridiculous that we hate to spend a good deal of time trying to analyze it, except that it will have an important bearing on the loan level that will be effective about the 1st of July. Assuming for the moment that the loan will be somewhere in the neighborhood of $2.03 a bu Chicago, it is not likely that the new crop futures will sell at very low levels, particularly before there is some pressure. Thus our markets are apt to firm up from time to time, even though the cash premiums have been slipping a little, and even though prospects for the next crop are fully maintained.

There was some additional moisture overnight in many parts of the Southwest. It is very welcome in the Texas Panhandle where abandonment has been low, and where the condition is just about perfect everywhere. Farther North dry weather and sunshine would be very welcome, but this is likely now as our weather man looks for clearing skies by night.

Despite another decline in hog values, corn prices were higher, and the market was influenced by further export business, with Belgium purchasing a cargo overnight, which apparently completes their May allocations, but beyond this it was stated that CCC would entertain some corn offers for shipment to Atlantic seaboard ports, so that with strength in the yellow cereal, other markets were easily influenced, especially since there was very little pressure from the country or from speculative sources.

The visible supply of wheat for the week showed a very slight increase, and total stocks are now 6 million bu larger than last year. Today's primary receipts were 1,694,000 bu compared with 1,927,000 bu last week, and 835,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 46,000 bu.

Markets were firm, but there was intermittent selling in various pits, and consequently, the action was somewhat erratic. After midsession buying and covering appeared possibly on a report that Finland had bought 420,000 bu of oats, and that UNRRA was expected to buy a cargo each of wheat, flour, and corn for Greece, although these purchases will be made through the PMA. Since it is the foreign buying which has been the chief support of our market any renewed talk of more purchases seems to have a stimulating effect.

UHLMANN GRAIN CO.

CHICAGO - April 15, 1927.

There is [illegible] confidence on either the long or the short side of the [illegible] market [illegible]. This is [illegible] the [illegible] reviews some of the factors in the situation. Most of [illegible] is centering in the new crop positions, with the [illegible] August in July, [illegible] also gaining in September, the latter [illegible] as large as in May [illegible]. Despite the [illegible]

[illegible] are inverse carrying charges, which is just the opposite [illegible] one would ordinarily expect. The theory behind this is that there [illegible] to a heavy accumulation of supplies, provided [illegible] of [illegible] and the probability of large shipments [illegible] is negligible. [illegible], it has always been [illegible] supply [illegible] and [illegible] it takes a [illegible] reserves to a small crop or when the [illegible] generally the [illegible], a small carryover followed by a bumper crop. Under the latter condition, it takes a long time to fill in the holes.

At the moment the domestic flour business is [illegible] and naturally anybody who is a [illegible] will try to take advantage of the [illegible] new-crop positions [illegible]

[illegible] of finance, and particularly [illegible] level. [illegible] regarding what the market prices will go up or down, [illegible]

[illegible] large [illegible]. [illegible] is [illegible] covering because the [illegible] of [illegible] have no [illegible] their [illegible] number of [illegible] in the [illegible] to need a good deal of [illegible] collect about the last of July. [illegible] still a [illegible] in our neighborhood [illegible] that the new crop [illegible] very [illegible]

[illegible] continue [illegible], even though [illegible] have been [illegible]

There was more [illegible] the Southwest. It is very [illegible] has been low, and where the [illegible] everywhere. [illegible] dry weather [illegible] but this is likely now as our [illegible]

Despite another decline in [illegible] values, corn [illegible] the market was influenced by [illegible] producing [illegible], which [illegible] conditions, [illegible] it was [illegible] corn [illegible] for shipment to [illegible] with [illegible] in the yellow corn [illegible] especially [illegible] there was very [illegible] sources.

[illegible] wheat for the week showed a very [illegible] are now 6 million bu larger than [illegible] 1,694,000 bu compared [illegible] last year. Kansas City [illegible] a net decrease of [illegible] there was [illegible] the [illegible] was [illegible] possibility [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

April 16, 1947

There was very little grain news overnight, except that further moisture was reported in various parts of the country. It was heaviest over the Central States, which was construed as unfavorable for oats, due to the fact that the season is already backward and it will mean further delays in seeding and possibly some reduction in the planted acreage. However, this is not regarded as too serious for the reason that it may mean more corn planted than had originally been intended, so that the total amount of feedstuffs may not vary greatly from early expectations.

As for wheat, the situation is somewhat "status quo," with still many uncertainties except the probability that our carryover will be reduced to 100 million bu July 1st, possibly even a little less if emergency allocations from time to time are granted. Thus the spread between May and July, which showed a tendency to narrow for several days, has reacted, and this has been the case in all markets with cash premiums quoted somewhat higher. Outside of the United States, there is not much wheat being offered for export. As we have stated frequently, we shall probably furnish about half the world's import requirements from here, and on the assumption that there will not be a stoppage of business when the next harvest is available, there seems to be a little better support now for new-crop futures. Some of the mills with whom we have discussed the situation have threatened to close down in June unless there is a better adjustment between old and new-crop positions because they claim with cash wheat 60 to 70¢ over July, it is too much of a hazard to continue grinding during that period, and apparently they want to limit their risks. We note that in thirty-five weeks exports of wheat and flour from Canada have amounted to 142.7 million bu, which still leaves 172.8 million to be shipped for export in the remaining seventeen weeks, or for next carryover. Consequently they may also reduce their reserve stock quite materially, especially if transportation eases, and if they furnish larger quantities after opening of navigation.

In the meantime, crop prospects for wheat are still excellent, and we have had glowing reports from the Texas Panhandle and from Oklahoma, where apparently there has been enough snow and rain to carry the plant for another four to six weeks, so that even if no further moisture occurs in Texas, they have probably had enough now to assure satisfactory results. Ordinarily, this would all have a bearish influence on the market, but with the uncertainty about parity and the loan, and the possibility that there will be some new-crop export business, longs are not particularly disturbed, and for the time being at least there is not much pressure from any source.

Meanwhile, there is not much change in the crop news coming from Europe. Apparently the United Kingdom is faced with only a reasonable harvest, but higher guaranteed grain prices to producers for the 1947 and 1948 harvests have recently been announced along with acreage goals for those two seasons. Apparently the current food needs and the shortage of food grains available for import have caused concern, necessitating larger domestic production. The early spring weather has not been too favorable, and the full acreage plan seems unlikely to be achieved, according to reports from our own Department of Agriculture. They had figured on a rather extensive planting of spring wheat even though it generally yields less than winter wheat, but field work has been delayed by storms and floods, which have left about 200,000 acres of crop land unfit for planting grain or root crops this season.

Primary receipts of wheat were quite good again, and amounted to 1,033,000 bu compared with 894,000 bu last week, and only 344,000 bu last year. Of course, a year ago at this time mille were having difficulty getting any supplies whatsoever. Kansas City and Minneapolis stocks so far this week show a total decrease of 146,000 bu.

There was a fairly good undertone to all markets. It seems that quite a little corn was worked for export yesterday but whether this continued today is difficult to say, but in any case the business has probably not been completed yet to take care of June allocations. Thus traders are very cautious about making commitments on the short side of the market. May wheat was rather strong thus influencing also new-crop futures. Otherwise, there was very little feature today, and trade on the whole was very moderate.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX
CHICAGO MERCANTILE EX

CHICAGO, 4 April 17, 1947

There was very little grain news overnight, but weather seems to be clearing, and warmer temperatures are in prospect. There can be little doubt now that we shall have a bumper crop of winter wheat. Whether it will measure up to the government figure of 973 million bu remains to be seen, but in any case moisture conditions thus far have seldom been better. On March 1st, farmers reported their intentions to seed 19.28 million acres to spring wheat, on which the government figures probable production at 265 million bu. This combined with the April estimate of winter wheat would give us approximately a total yield of 1,240 million bu. Such a crop has never before been harvested. On the assumption that our domestic needs will remain about the same as for the current year: namely, 790 million bu, there would be about 450 million bu that we could either export or carry over on July 1, 1948. The chances are, therefore, that one year hence, we shall have a larger reserve stock, unless we find that European demands are greater than now anticipated. It is still rather difficult to get accurate information from abroad, but greatly improved weather conditions have been experienced in a number of Western European countries, and yet field work was slow to get into swing owing to the saturated state of the land. Opinions on the severity of frost damage to winter wheat continue as divergent as ever, according to Broomhall, although a more encouraging report was recently received from his Paris correspondent. He does say, however, that there is now less pessimism concerning the extent of winter killing, but some time must elapse yet before the situation can be accurately assessed. According to our own Department of Agriculture, crop prospects except for Italy and the Danubian countries are not favorable. Conditions in North Africa are reported satisfactory, except in Tunisia, and the chances are that export shipments will continue to be a factor for some little time yet.

Nothing much can be written at this time with respect to the Canadian outlook, but moisture conditions are uneven, although no area has any serious deficiency. Precipitation in the Prairie Provinces from August 1st to October 31st was 119% of normal. It is considered likely that a large acreage will be planted again. Last year wheat sowings amounted to 25.9 million acres, which was just about average during the five years preceding the war.

The one important item which is referred to by our government in its last treatise on the wheat situation is parity, and it confirms statements that many in the trade have made: namely, that if on June 15th, there is no change from the recent computation, the average loan rate to growers would be $1.82 on the farm, which we figure about $2.03 Chicago. This would be considerably above the average loan rate of $1.49 on the farm for last year's crop, but yet would be materially below the average price of $2.44 received by growers in mid-March.

Primary receipts of wheat amounted to 1,459,000 bu compared with 1,181,000 bu last week and 674,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 327,000 bu.

Shortly after the opening it became known that CCC had withdrawn from the corn market after buying about 4 1/4 million bu since last Tuesday. It seems likely that on the private allocations, the business will be done gradually, and thus markets, which had risen several cents during this period of government activity, reacted a little, although declines were not precipitous. However, it also affected some of the other grains, but wheat was only moderately weaker, probably for the reason that the May future was again strong, and it seems that the nearby deliveries not only here but at Kansas City also have gained a little further in relation to the July future. Cash wheat was also strong and in good demand in Minneapolis. Their premium basis was slightly higher, so that for the time being there seems to be little pressure, and most people are now agreed that while there has not been much business yet based on new crop, the early demand for wheat will be reasonably urgent.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 18, 1947.

The recent tragedy in Texas City may have some effect on grain and flour stocks, inasmuch as PMA had about 250,000 cwts flour at that port, together with large quantities of flour destined to France and Italy, awaiting clearance. The extent of damage to flour cannot yet be determined, although the Texas City Elevator of 400,000 bu capacity was badly damaged, as was also a part of the wheat stock begonging to the Commodity Credit Corporation. One of the high officials at Washington, dealing with exports, made it known late yesterday that it might be difficult, if not impossible, to maintain our April, May, and June schedules for overseas relief, clearing the maximum figures that had been hoped for. We recall that sometime ago it was stated that possibly a total of 400 million bu wheat and flour would be exported before next harvest, although now it appears as though we would probably ship not to exceed 360 million bu. On that basis we shall still have a carryover of about 100 million bu, or much the same as last year, placing our domestic consumption at 792 million bu, which includes 180 million bu as the probable figure for wheat consumed by animals.

Weather seems to be quite satisfactory for wheat, although was contrued a little bit more bullish on oats than heretofore, as it is still very cold in Canada, and should this bring rain or snow to the Central States, together with low temperatures, it would further delay seeding operations coming at a time when our season has already been backward.

Otherwise there seems to be very little news except that from time to time we hear more about price resistance due to high levels prevailing, although as Mr. Anderson pointed out yesterday: "The administration's whole effort since Pearl Harbor --December 7th,1941-- has been to hold food prices at a reasonable level. To this end, farmers were assured that prices of specified commodities would be supported for two years following the end of hostilities, but this assurance was specifically and in fact offset to the price control legislation as indicated by its inclusion in the Stabilization Act approved October 2, 1942." It is our opinion, and we have thought for some time that while present prices have probably been very high, especially with the bumper wheat crop in prospect, a high loan level would prevent a drastic slump unless, of course, parity levels should decline sharply within the next two or three months. For the time being there seems little likelihood that any additional or emergency allocations will be granted to foreign claimants. As has been pointed out, it would be pointless to make any changes in the present program because granting permits to needy nations would simply mean stealing the grain or flour from someone else without making any more tonnage available. Even the State Department, which has been pressing for the highest allocations and shipments possible, seems reconciled to this thought, and will, therefore, not urge further good will allotments.

When our markets opened, prices were somewhat lower, but with premiums holding rather well both Northwest and Southwest, there was no sustained weakness, and apparently further flour orders were placed against previous allocations mostly for June. Consumers at home are still buying only from hand to mouth, but yet receipts are not heavy enough to cause any new pressure. As far as new-crop wheat is concerned it now appears as though those who are holding their purchases in abeyance would be rather eager for supplies the moment harvesting operations have been completed. Thus there is some support in the new-crop futures, although trade on the whole is not heavy.

Primary receipts of wheat amounted to 1,388,000 bu compared with 1,643,000 bu last week and a holiday last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 505,000 bu. This suggests a fair shrinkage in the visible supply Monday, and it will compare with last year's decrease of 2,847,000 bu.

Markets were again very nervous. Not too much attention was paid to the weakness in corn, although rather heavy bookings from the country were a factor, despite some export sales. The CCC reported that an additional million bu corn was purchased Wednesday, and thus the trade was impressed with the fact that they were able to get their supplies quite easily. Ex-President Hoover told an informal news conference that the world would face a worse food crisis next year, and this caused considerable short covering in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 21, 1947.

There was very little news over the weekend. Weather was a little better except for oats, where seeding has been further delayed, and it is pointed out that the yields per acre are generally larger when the planting is accomplished at an early date. In many parts of Illinois the crop is planted during the last half of March, and there is a decrease of about half a bushel in yield for each day's delay in seeding. As a matter of fact, in southern Illinois the best yields are generally obtained when the crop is sown in February or the first half of March. From this point of view one can get an idea of what might happen if farmers delay too long. A somewhat showery condition still exists, and while there may be a few days of sunshine, our weather man is of the opinion that by Wednesday we may have some more wet weather, and possibly this was the reason for some of the firmness today, although buying of corn futures, both by commission houses and by exporters, was also a factor.

In wheat, there is little change in the export outlet. Undoubtedly European countries would take still larger quantities if grain were offered. Broomhall has compiled a resume of various European countries showing a deficiency for the current season of about 664,000 bu, between the 1946 domestic production and their apparent home usage. He then deducts 10% for bread-rationing, but it still means that imports would have to be close to 600 million bu to take care of minimum requirements. We note that since August 1st to April 11th, total clearances to all destinations from Canada, the United States, Argentina, and Australia totaled about 474 million bu, or a decrease of 151 million bu from the year before. The biggest deficiency was in Canada where shipments this year were about 122 million bu smaller. We have pointed out in recent letters that they have averaged only about 4 million bu per week since their crop-year started, and this is, indeed, a poor showing even granting their transportation problems were vexatious, as they have been elsewhere, Canada could easily reduce its carryover to 40 or 50 million bu by next August without suffering to any extent. In fact, some years ago when their population was not so much smaller than at present, this was all that was ever carried over from one crop to the next. It was only since the Canadian Pool came into being and surpluses were built up that the whole situation changed so vastly. In any case, it appears very much as though the demands from here would be heavy when the new harvest is available. This is tending to keep July wheat rather firm, despite the optimistic outlook for the next crop. The government points out that exports have ruled wheat markets since late 1944. There has been a demand for more wheat right along than was available for export in the surplus producing countries. In some cases these shipments have gone to a number of paying countries, but they have also been destined to UNRRA and to occupied areas. The active period of UNRRA operations will end May 31st. However, the problem of supplying minimum requirements to devastated nations will still continue after that time. President Truman has asked Congress to provide money to continue food shipments to those countries that have been aided by UNRRA, and he also asked for extension of authority to continue participation by this country in international food allocations by which exports would be apportioned according to the urgency of need. If this is all accomplished, we shall still be called upon for rather large quantities, although after another year production in Europe may be restored, and with limited finances in some countries, we may finally find a different problem facing us than at present.

Primary receipts of wheat were quite heavy today, amounting to 2,352,000 bu compared with 1,929,000 bu last week, and 908,000 bu last year. When the visible supply was posted there was a decrease of 1,151,000 bu, reducing total stocks to slightly under 27 million bu. This gives us about 6.3 million bu more than was on handlast year. Chicago stocks decreased 133,000 bu, leaving only 654,000 bu in this market. The corn visible showed a rather heavy decrease of 3 1/2 million bu. There is now about 12 million bu more here than last year.

As we remarked earlier, firm prices obtained early in the session, but when support in corn lagged prices gradually receded, and there seems to be a bearish sentiment in this cereal; in fact, many people believe that all commodities are gradually headed for lower levels. May wheat was reasonably weak; this had a little influence on the deferred months, and there was some narrowing of the spread. Secretary Anderson before the House Agricultural Committee said that the price of wheat may drop to $2.00 a bu when the new crop starts moving to market this summer.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

April 22, 1947.

When we talk about agricultural conditions getting back to normal, we must not overlook the fact that our demands will be much greater than before the war. The purchasing power of the people is much better as compared with the 1930's, during which time we were either in or emerging from a depression, and during the war we had such favorable growing conditions that supplies were always abundant, During the first years after hostilities started, we had the very large carryovers of wheat and corn on which to draw, and in corn we have had five 3 billion-bu crops, and this year's wheat crop will make the fourth billion-bu crop in succession. Superior seed and better use of the land, including fertilizers have helped, but after all, weather has been most propitious. Luckily for the world these excellent United States conditions have provided food necessary to win the war and to aid in winning the peace. Should conditions change and we go back to normal crops, the large demands within our own country would continue, but of necessity we would have to reduce our help to the rest of the world.

For the ten-year average, 1932-41 we used 678 million bu wheat, including seed, feed, and food, but this current year our uses have increased to 792 million bu --seed being very little different; feed is still high but tapering off from the excessive wartime uses, but our food uses are 50 million bu over the pre-war ten-year average. Thus a crop of 800 million bu provides practically nothing for export, yet our average production for 1935-44 was only 843 million bu. From this coming crop, which promises to be about 1 1/4 billion bu, we could probably spare an amount equal to this year's 360 million bu exports and still add about 100 million bu to our carryover. However, in the four important exporting countries, carryovers are down to very small amounts, while at the same time both Canada and Argentina have been raising satisfactory wheat crops. The United States has been shipping about 7 million bu average per week this season, and Canada from their good crop of 420 million bu has been averaging only 4 million bu per week. They could, however, substantially increase this rate for the balance of the season and still have a safe carryover.

Just who will handle the grain export business after June 30th has not been decided, as it seems to be the intention of Congress to define what part the government should play in allocations and the physical handling of contracts as they have done since the close of the war. A bill has been introduced into the House by Rep. Paul W. Shafer of Michigan, which would allow the government to continue to require export licenses on a large number of basic commodities and manufactured items. Meanwhile, grain activities of governmental agencies seem to be designed to buy only what can be shipped from the country before June 30. Aid to Greece and other nations is also being considered in Washington.

One of our domestic items that is used in every household is milk. There is an ever-increasing production of it with the current output over 120 billion lbs, whereas in 1936 it was only 105 billion. Currently there is much less butter being produced in the country, which in time will no doubt catch up to normal, but uses for raw milk and ice cream have probably reached a permanently higher level. Then there are more eggs consumed, all of which continues to call for a high output of grains for our domestic uses.

Primary receipts of wheat still hold up quite well, totaling 1 3/4 million bu today, or slightly more than a week ago, and compare with less than 1/2 million bu last year. Corn receipts likewise are big, running almost three times as much as a year ago. Kansas City and Minneapolis wheat stocks so far this week show a moderate decrease of 104,000 bu.

CCC re-entered the corn market in Kansas City for low moisture corn, but it is thought they do not want more than a couple of million bu to complete the June quota. InChicago they are still out of the market, and it is believed they are just about through buying here, except possibly for some fill-in lots. The CCC stated that they had fixed the price on about 800,000 bu in yesterday's session, and we notice nothing of this nature today, but houses who are buying cash corn have been selling futures.

The strength in oats was attributed to the lateness in seeding, with Iowa reporting 40% in the ground and Nebraska 60%. Also the wet cool soil has retarded growth of oats already seeded.

There was a light trade in wheat, with some concentrated buying by one of the firms, finding offerings rather light. Probably the expected passage of the Greek-Turkish aid message today has caused

April 22, [illegible]

When we talk about agricultural conditions getting back to [illegible] normal, we must not overlook the fact that our domestic [illegible] better than before the war. The purchasing power of the people is [illegible] better as compared with the 1930's, during which time we were either in or emerging from a depression, and during the war we had [illegible] favorable growing conditions that supplies were always ample. During the first years after hostilities started, we had the very large carryovers of wheat and corn on which to draw, and in corn we have had five 3 billion-bu crops, and this year's [illegible] fourth billion-bu crop in succession. Supplies [illegible] one land, [illegible] fertilizers [illegible], [illegible] has been most propitious. Luckily for the world, these excellent United States conditions have provided food [illegible] to aid in winning the peace. Should conditions [illegible] back to normal areas, the large demands within our own country would continue, but of necessity we would have to reduce our [illegible] to the rest of the world.

[illegible]

including seed, feed, and food, but this current year [illegible] increased to 79½ million bu — need being very little [illegible]; feed is still high but tapering off from the excessive [illegible], but [illegible] food uses are in addition to over the [illegible] average. Thus a crop of [illegible] billion bu provides practically [illegible] for export at our average [illegible] for 1935-44 was [illegible]. [illegible] growing crops, [illegible] 1 1/4 billion bu, we [illegible] equal to this year's [illegible] million bu [illegible] and still [illegible] 170 million bu to our [illegible].

[illegible] four important exporting countries, [illegible] to [illegible] demands, while at the same time high levels and Argentina [illegible] actual [illegible] export. The United States [illegible] shipping about 7 million bu [illegible] per week [illegible] from their [illegible] crop of [illegible] million bu [illegible] 4 million bu per week. They could, however, [illegible] this rate for the balance of the season and still have [illegible] carryover.

Just who will handle the grain export business after June [illegible] has not been decided, as it seems to be the intention of [illegible] to decide what part the government should play in [illegible].

the war. A bill has been introduced into the House by [illegible] of Michigan, which would allow the government to [illegible] require export licenses on a large number of [illegible] [illegible] items, [illegible], grain [illegible] is [illegible] seem to be designed to buy only what will be [illegible] country before June 30. Add to [illegible] and other [illegible] considered in Washington.

One of our domestic items that is used in every [illegible] milk. There is an ever-increasing [illegible] output over 120 billion lbs [illegible] in 1935-44 [illegible]. Currently there is such [illegible] in [illegible] will be [illegible] of ice cream have probably [illegible] are more [illegible] output of grains for our [illegible].

Primary receipts of [illegible] quite well, [illegible] million bu to [illegible] than 1/2 million bu [illegible] stock [illegible]

[illegible] market in Kansas City [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

April 23, 1947.

There seems to be a rather unsettled condition over the Central States, and this is adding somewhat to the concern already felt with respect to the lateness of the season, and particularly the retarded planting. It is now a foregone conclusionthat the acreage sown to oats will be smaller than normal, or at least, than last year, but still a larger area will undoubtedly be planted to other crops, particularly as soil conditions are so wonderful, and we expect that the seeding of soybeans and corn will progress rapidly if there is a week or so of sunshine. This apparently has been causing some firmness in markets, although it is generally felt that insofar as the wheat situation is concerned, crop prospects are fully maintained, although there may be a little apprehension on spring wheat plantings, but even here we have assurance from one of our friends Northwest that there is no real reason for concern yet, and today's weather indicated clear skies, so that once the seeding starts, it will no doubt make rapid progress. The Van Dusen-Harrington report indicates that should the weather moderate in the near future, crops will be put in very rapidly, and that ample moisture will help to overcome any delay in seeding. There are some very low spots that are the exception to the rule, but in a general way should be quite well along late this week, unless further moisture should occur.

From Washington we learn that the Secretary of Agriculture is considering a long-time farm policy which would call for a floor under consumption of farm products as well as a flexible price structure to guarantee a fair return to producers. For the time being, he has the assurance that the export demand for American commodities will be favorable and possibly even for two or three years yet, but insofar as international cooperation is concerned, we have never had much confidence that anything would result, and in fact, previous experience has demonstrated the correctness of our view. The International Wheat Conference at London adjourned after failing to reach agreements on world prices and allocations. This means that proposals are thrown back to the Council in Washington, but it would seem to us that with such variance of thought on many of the important matters, and with the import nations rather anxious to keep prices down while nations with surpluses anxious to uphold satisfactory prices to the producers, it will be difficult to satisfy all concerned.

There is nothing very new in the export situation. CCC purchased 1 3/4 million bu corn yesterday for shipment to the gulf, and continues to entertain offers. Poland bought some flour and Belgium some oats, but business in wheat is apparently being held down, and as has been stated previously probably no new allocations will be granted even to a country like France, where possibly the bread ration may be further reduced. It has been pointed out that while we are sympathetic to their requirements, any amount made available to them would have to be diverted from allocations already made to other countries.

Primary receipts of wheat were quite light, and amounted to only 696,000 bu compared with 1,033,000 bu last week, and 403,000 bu last year. Kansas Cit and Minneapolis stocks so far this week show a total decrease of 140,000 bu.

There was not a great deal of buying in any of the pits, but nevertheless some purchases in corn that looked to be for export account, and the result was that fairly firm prices ruled. In wheat, the volume was rather small, but it seems for the past three or four days July wheat has been accumulated, apparently for speculative account, and the theory is that with the small carryover and continued export business, there will be a fairly good demand for the first-run of wheat. Generally speaking, there is no great enthusiasm on the long side of wheat, but still there seems to be some flour business from time to time, and buying of hedges, which apparently has a sustaining influence. The trade also feels that with a fairly high loan this summer any extreme breaks are quite unlikely.

UHLMANN GRAIN CO.

There seems to be a rather unsettled condition over the [illegible] areas, and this is being reflected in the market already with respect to the lateness of the season, and consequently the two [illegible]. It is now a question whether the acreage [illegible] will be smaller [illegible] north, while last year [illegible] still a larger area will undoubtedly be planted to other crops, [illegible] early as soil conditions are [illegible], and we expect [illegible] of soybeans and corn will [illegible] there is [illegible]

markets, although it is generally [illegible] last [illegible] as the wheat situation is concerned, crop prospects are fairly satisfactory, [illegible] here we have assurance from one of our [illegible]

and that some moisture would help to overcome [illegible] in [illegible]. There are some very low spots but are the exception to the rule, and a general [illegible] should [illegible] along [illegible] this [illegible].

From Washington we learn that the Secretary of Agriculture is considering a long-time farm policy which would [illegible] consumption of farm products as well as [illegible] the assurance that the export demand for American [illegible] be favorable and possibly [illegible] as international economic [illegible], we have [illegible]

was demonstrated [illegible] that Conference [illegible] ments on world prices and [illegible] thrown back to the [illegible]

[illegible] countries [illegible] would have to be diverted from [illegible] countries.

Primary receipts of wheat were quite light, [illegible] 696,000 bu. compared with [illegible] bu. last year, and [illegible] year. Kansas City and Minneapolis stocks so far this week [illegible] total decrease of [illegible] bu.

There was not a great deal of buying in any of the pits, [illegible] less some purchases in corn [illegible] and the result was that fairly large [illegible] was rather small, but it seems [illegible] been accumulated [illegible] is that with [illegible] will be a [illegible] speaking, [illegible] but still [illegible] building [illegible] also [illegible] not quite [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 24, 1947.

Despite some exaggerations or overstatements with respect to the damage sustained by European crops during the winter, it can safely be stated now that the import requirements for the year ahead will again be very large. We have had this confirmed by Mr. Hoover, who made a rather complete survey of conditions, and we have had it told to us by our Department of Agriculture, whose studies enable them to tell pretty far in advance what the indications are for the next twelve months. Today we learn from the Under-Secretary of Agriculture, N. E.Dodd, that he expected the hungry nations of the world to be trying to buy more wheat and other grains than this country could spare during the next crop-season. Therefore, he concluded that export controls should be continued, claiming that without restrictions this foreign buying might drain domestic supplies to a point which would result in serious shortages at home. Likewise any such shortages might boost prices to dangerously high levels, setting in motion inflationary pressures. It is, therefore, evident that for another year world surpluses will not be pressing, and the question of low prices need not be feared. Despite this, however, our Department of Agriculture is thinking a little further ahead, and Mr. Anderson has been discussing a food-buying plan in order to increase the country's buying power rather than to cut food production. In initiating this matter with industrial leaders they warned him, however, that the success of such a program and the degree of support would depend on how it was implemented, pointing out that the government's first efforts in this field following the collapse of farm prices after 1929 resulted in complete market chaos. They reminded him that the buying of farm commodities at that time and dumping indiscriminately on the market disrupted normal trade channels, and was, therefore, generally unsuccessful in fulfilling the original aim.

When our market opened this morning, it was naturally influenced by the overnight weather news which was not altogether favorable. More rain, and in some cases rather heavy, had been reported in the Central States, but it now looks as though the northern sections would get relief, and in the meantime, spring wheat areas have been dry so that undoubtedly seeding operations can be hurried along except in some of the low lands where water still stands in the fields. It is still difficult to say whether we shall get a full spring wheat acreage, and there is some talk that more land will go into flax, corn, and soybeans, but probably by the beginning of next week spring work should be general practically everywhere. In Canada there have also been delays, but a party who visited us fromWinnipeg this morning seemed to think that large acreages would be planted, particularly to coarse grains.

Primary receipts of wheat amounted to 1,371,000 bu compared with 1,459,000 bu last week, and only 325,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 252,000 bu.

Despite the fact that corn showed marked weakness at times, wheat futures were rather firm, although the May deliveries here, at Kansas City, and Minneapolis showed little tendency to narrow versus the July. Part of this may be attributed to the fact that there were indications that Mexico might try to resell some of the wheat previously purchased in this country, although we do not have any details as to price or quantity. July wheat in Kansas City was reasonably firm, and this in turn affected the new-crop positions here, but trade on the whole was just moderate. Southwest premiums were about the same as heretofore, although the higher protein wheats were not moving too well. The stock market was a little weaker after the Moscow meeting adjourned. Also a possible factor was that the phone strike has not yet been settled, and the General Motors workers have not reconciled their differences with the company. All this, however, had little influence on any of our grains.

The oat market was comparatively firm, probably due to the fact that unsettled weather conditions still prevail, and we shall probably have an under-average acreage because of the retarded season.

UHLMANN GRAIN CO.

hed now that the import requirements for the year would will
n be very large. We have had this confirmed by Mr. Hoover, who
has rather complete survey of conditions, and we have had it from
[illegible]
l pretty far in advance what the indications are for the next
five months. Today we learn from the Department of Agriculture
[illegible]
to buy more wheat and other grains than this country could spare
until the next crop-season. Therefore, no one believes that export
[illegible] should be continued, claiming that [illegible] this
[illegible] drain on domestic supplies to a point which would
result in serious shortages at home. Likewise any such shortages might
[illegible]

[illegible] therefore [illegible] that [illegible]
[illegible] the [illegible] price fixed at
[illegible] however, our Department of Agriculture
is thinking a little further ahead [illegible]
[illegible]
rather than to cut down production. In initiating this matter [illegible]
[illegible] they warned him, however, that the consequences of a
[illegible]
[illegible] and following the collapse of farm prices after 1929 resulted in
[illegible] They reminded him that the saving of farmers
[illegible] and dumping [illegible] on the [illegible]

[illegible] it was necessarily in-
fluenced by the [illegible] weather which was not altogether favorable. More rain, and in some cases rather heavy, has been reported in the Central states, but it now looks as though the northern [illegible] would get relief, and in the meantime [illegible] so that undoubtedly seeding operations can be carried along [illegible] in spite of the low lands where water still stands in the fields.

[illegible] has been delayed, but a party who visited us [illegible] this morning seemed to think that large acreages would be planted, particularly to coarse grains.

Primary receipts of wheat amounted to 1,[illegible] compared with 1,159,000 last week, and only 32[illegible],000 a year ago. [illegible] and commercial stocks so far this week show a total decrease of [illegible],000 bu.

Despite the fact that corn showed marked weakness at times, [illegible] and [illegible] showed little tendency to narrow [illegible] Part of this may be attributed to the fact that there were [illegible] that [illegible] might try to resell some of the wheat previously purchased in this country, although we do not have any details [illegible] order or quantity. July [illegible] in Kansas City was recently firm, [illegible] the new-crop position here, but [illegible] was just moderate. Southwest premiums were about the same [illegible] although the higher protein wheats were not moving freely. [illegible] market was a little weaker since the Moscow meeting [illegible] factor was that the [illegible] strike [illegible] General Motors workers have not reconciled [illegible] company. All this, however, had little [illegible]

[illegible] probably due to the fact [illegible] result; [illegible] we shall probably [illegible] the [illegible] season.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 25, 1947.

Every time the question of International Wheat Agreements has risen we have taken the stand that ordinarily they were not worth the paper on which they were written. This seems a little drastic, but yet when both importing and exporting nations are so vitally concerned, the one seeking higher prices, and the other lower, it hardly seems reasonable to expect that there can be common ground, particularly when decisions have to be made five years ahead of time. We now learn that when Britain "upset the applecart" the complaint was that prices proposed for the five-year International Wheat Agreement were considered excessive. Great Britain declined to subscribe to the pact and was finally backed in this determination by Canada and India. As matters now stand the delegates attending the original conference will hand over their working papers to a Council in Washington, and finally we believe that little will come of it. The chances are that in the long run free, open, and competitive markets will do a much better job. We have seen how important the price factor was during OPA when insufficient incentive was offered to farmers by way of price that the grain did not come forward. Even now with producers in Canada dissatisfied that country has done a rather poor job in exporting her grain, particularly with the tremendous European demand, and with actual suffering on part of famine-stricken nations. Our own legislators have been fearful for some time that a loan too high might finally encourage over-production after European crops come back to a more normal basis. Although one factor that might change this situation is that some of the Balkan countries which formerly supplied Europe are now under Russian domination, and this may create a larger demand for a good many years from the United States, Canada, Argentina, and Australia, and yet it is an item very seldom mentioned in international grain circles.

When our market opened this morning, it was influenced by news from Washington that the emergency for continued heavy shipments would go on after July 1st, and that for each of the months --July, August, and September, we would attempt to ship at least 37 million bu grain and flour to take care of European requirements during the next crop season. This is in line with what Under-Secretary N. E.Dodd told a House Sub-Committee yesterday, but at the same time it becomes more apparent that the scheduled shipments for the present season are about as large as we could possibly stand. One of the high officials has stated that until the new winter wheat crop moves in this country, world deficit areas must look elsewhere, principally to Argentina, for emergency rations to tide them over. However, during the session, additional allocations were granted on flour equivalent to about 1 3/4 million bu, mostly for May shipment. Officials seem a little pessimistic that Argentina will cooperate in this emergency, but yet it is pointed out that any further wheat and flour allocations from here are impossible. Despite the urgent pleas from France and Eire, an official announcement to this effect might be made shortly.

Under the circumstances we believe it possible that there will be some closing of the wide gap between May wheat and the new-crop futures. There is already a fair demand for flour for deferred shipment, and by the same token we are reliably informed that April, May, and June flour is rather difficult to sell. Apparently there is more flour in bakers' hands than the trade had realized. Naturally anyone who can wait will try to make purchases for July, August, and September, assured that with fine crop prospects that it will be quite easy to take care of these commitments when the time comes.

Primary receipts of wheat today were 1,588,000 bu compared with 1,388,000 bu last week, and 468,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 434,000 bu. When the visible supply is posted Monday it will compare with a shrinkage last year of nearly 3 million bu.

Wheat was firm right from the start, based on the possibility of a large business for new-crop positions, for both flour and for wheat. For quite a while corn prices were lower, but later in the session the great strength in wheat caused short covering in the other pits, and higher prices were scored all around. At the present time the Chicago corn-hog ratio is 12.2, which is exactly the same as last year, but shows a big drop from the better relationship registered early. Thus, we are apt to have fairly good receipts of corn, and this finally will be the important factor.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 28, 1947.

Last week the government gave us statistics showing what the various stocks of grain were in the country as of April 1st, and this was quite illuminating because it showed that under free market conditions grains were moving normally, and there were very few surprises. In wheat, there was about 310 million bu stored in all positions, with about 140 million bu still back on farms. Stocks of corn and oats were relatively large, although barley and rye were the smallest in the past five years. Most attention probably was directed to corn because of the fact that total supplies were 26% larger than a year ago, and larger than on any April 1st of record, except in 1943. Here, however, it should be pointed out that the government has only been publishing this comparative data for a short period of time.

As we look now at Canada we find a different situation, and while total stocks of Canadian grain in North America were about 14% larger than for the same period last year, the largest gain is reported for wheat, which was 245 million bu. Of this quantity 80% or 199 million bu was held on farms or in country elevators onApril 1st. On the other hand, stocks at the lakehead and in other forward positions were down compared with a year ago, and, of course, some of this may be due to transportation facilities, but we rather suspect that there is more to it than that, and we have in mind the dissatisfaction on part of farmers who have seen their neighbors in the U. S. obtain better prices. Therefore, there has been a holding tentency, and as we pointed out frequently, average wheat shipments since last August from Canada have been about 4 million bu weekly compared with about 7 million bu from the United States. Thus, the situation is much the same as in Argentina where, due to relatively low prices, farmers have shown slight interest in marketing their grain on a heavier scale.

We appreciate, of course; that prices in the United States have risen sharply since the war, and as a result many distortions have been brought about. Farm prices now are 180% above 1939, while other prices are up only 62%. Carrying the comparison a little further prices of raw durable commodities are 92% above 1939, while construction costs are up 78%, and rents up only 4%. A good deal of the agricultural prosperity is due to the heavy export shipments abroad, although the high loans have also played their part. At the present time wheat prices are above the probable loans, and there might be a fall of 26% on the farm before actually reaching the support level required by the parity formula. If general prices should fall before June 15th when the important parity date arrives which will be the basis for the loan, then wheat prices might be allowed to fall further before hitting the support level. As everyone in the trade realizes, parity is not itself a fixed level, but can decline when prices of things that farmers buy decline. This is something different from anything we have experienced since 1938 when the trend has generally been upward, but at least there is a possibility. In other words, parity is a moving base and not a static or fixed base on which one can rely from month to month. Tomorrow we shall be given some new figures and some people are looking for a decline owing to the fact that mixed feeds and lumber are cheaper now than a month ago according to our information.

When the visible supply was posted, wheat showed a decrease of nearly 2 million bu, with total stocks now 25 million bu, or 7.3 million bu over last year. Chicago stocks showed a small decrease, with 639,000 bu left in this market. The corn visible decreased 1 1/2 million bu, with total stocks 11.4 million larger than last year.

Our markets were quite weak, but corn was outstanding in leading the decline, and it seems that the 30¢ advance we had in the yellow cereal came at a time when wheat and flour were scarce, and when Europe contracted for rather large quantities, which momentarily caused considerable buying of hedges. Now that the country is selling in volume, the demand is poorer, and the nearby deliveries seem to be losing ground as compared with the distant months. The break in corn had its influence on the wheat market, although we did not see the buying against export business that was apparent last week. Cash wheat premiums Northwest were decidedly lower --as much as 5¢ per bu, and some losses also at Kansas City. Better weather also induced some liquidation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 29, 1947.

There was very little grain news overnight except that some scattered showers were reported and more are in prospect. In a general way this is favorable for wheat, although it continues to delay seeding in those parts of the country where spring work has already been retarded. Not so much attention was paid to this factor, however, owing to the fact that before our market opened, there had been rather large quantities of corn offered from the country, and in fact, we heard of one processor who had turned down a rather large quantity. This is all indicative of the fact that farmers are willing sellers, and, of course, with May corn still at a premium over July, naturally producers want to take advantage of the price, especially since the distant months are considerably cheaper. Then, too, it has been known for some time that a good part of the advance in corn was due to the heavy exports during a period when wheat and flour could not be shipped abroad in sufficient quantity, and apparently CCC and the private trade will buy corn only from time to time, and likely not in sufficient quantity to absorb all offerings at present levels.

Yesterday's break in wheat brought to mind that we are faced with a bumper crop of winter wheat, and 973 million bu is an amount never before harvested, so that with crop prospects pretty well maintained, it indicates that while the demand may be very heavy after harvest, there will also be vast offerings, particularly if cars are available. The present outlook is a little bit better for the movement of grain, at least until end of July or middle of August, but of course, after that much would depend on whether shipments are made to Galveston or gulf ports, or whether a good deal of flour is shipped to the Atlantic seaboard, because in the latter case it takes so much longer for the empty cars to get back to the producing areas.

Canada seems to be faced with a big job of exporting 80 million bu wheat in the next ninety days. Some of it, of course, may go out as flour but the wheat position in the United Kingdom was described as dangerously low, and will not improve until much larger shipments are received from Canada. We have pointed out on many previous occasions that there is not a great deal of wheat at the lakeheads or in position for shipment, but apparently it is the aim to try to move 150 million bu from the elevators to exportable positions between now and end of July. The Canadian Board feels that with continued cooperation of all concerned, this might be accomplished and still leave enough at home for a safe carryover. The PMA released figures late yesterday showing cumulative purchases since July 1, 1946 to April 25th. This included 155 million bu wheat, approximately 2,700 million lbs flour, equivalent to 60 million bu wheat, 68 million bu corn, 15 million bu barley, 7.7 million bu oats, and 2.3 million bu grain sorghums. All these purchases have been made to fill export allocations.

Primary receipts of wheat amounted to 1,392,000 bu compared with 1,757,000 bu last week and 766,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 191,000 bu.

After rather severe breaks, particularly in corn, there seemed to be a little better sentiment on the theory that technical reactions were in order. Furthermore, some merchants claimed that country offerings were drying up on the extreme break, but in any case corn rallied rather sharply, and this spread to wheat at a time when there was no particular pressure, and possibly the long liquidation has spent its force for the time being. Cash premiums in the Southwest were somewhat higher, and as far as old wheat is concerned, it is still reasonably tight, and naturally we are going to have a small carryover. Under the circumstances the market seems to be a little more two-sided, but we still believe that in a general way we are in a down-cycle, and this refers to other commodities as well. However, pressure from the movement of wheat will not be felt for several weeks yet.

UHLMANN GRAIN CO.

[illegible] way this is favorable for wheat, although its condition [illegible]

[illegible] is all indicative of the fact that farmers are [illegible], of course, with wheat [illegible] over July, [illegible] [illegible] wants to take advantage of [illegible], especially since [illegible] months are considerably [illegible]. [illegible], it has [illegible] for some time that [illegible] in [illegible] the heavy exports [illegible] a [illegible] stored stock in sufficient quantity, and [illegible]

[illegible] to [illegible] [illegible]. Yesterday's break in wheat [illegible]

[illegible], so that with [illegible]

[illegible], there will also be [illegible], particularly [illegible]. The present outlook is a little bit better for [illegible] of grain, at least until end of July or middle of August, [illegible] [illegible] good deal of [illegible] [illegible] for the [illegible]

[illegible] in the next [illegible] of course, [illegible] as clear but the [illegible] position in the United [illegible] as [illegible] [illegible] of [illegible] shipments or [illegible]

[illegible] of [illegible] position for shipment, [illegible] try to move 150 million bu from [illegible] between now and end of July. The Canadian [illegible] continues [illegible] of all concerned, [illegible] still large enough at [illegible] [illegible] figures late yesterday showing [illegible] since July 1, 1940 to April 25th. This included [illegible] million bu wheat, [illegible] 68 million on corn, 15 million on barley, [illegible] million [illegible], 2.3 million bu grain sorghums. [illegible]

Primary receipts of wheat amounted to [illegible]

[illegible] stocks so far this week show a [illegible]

After rather severe breaks, particularly in corn, there [illegible] be a little better sentiment on the theory that [illegible] [illegible] in order. Furthermore, [illegible] [illegible] were drying up on the [illegible] [illegible] rather sharply, and this [illegible] was no particular pressure, and possibly [illegible] [illegible] its force for the time being. [illegible] [illegible] and [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

April 30, 1947.

It is Broomhall's opinion that export monopolies, such as we have in many grain countries, keep supplies low, and this is done to further their own ends. He calls attention to Canada recommending that growers decrease the wheat acreage by 1 1/2 million acres, and the Argentine government deliberately reducing its surplus of corn by 2 1/2 million tons through subsidizing its use to its own livestock breeders. In Argentina the grower receives 10 pesos per 220 lbs, or one-third of what the government is selling it for export, and it is his view that there is no wonder why the Argentine government favors bulk buying and selling in view of the extortionate profits it is now earning. While this method of business goes on, it is very certain that the tendency will be for Argentine growers to curtail the acreage in subsequent years rather than increase it. It certainly suggests that the Argentine government is doing everything possible to keep production down and its own price high. He says it is now officially stated that not more than half the Argentine surplus will be able to be shipped out of the ensuing twelve months. The balance will be sold for domestic livestock feeding at 7 pesos. There are three separate prices in Argentina for corn: the price to the grower; the domestic price; and the export price. The growers and foreign buyers are to have the unwanted privilege of subsidizing domestic consumers. Broomhall, always an exponent for free trade, points out that the sooner Russia, the Balkan countries, and South Africe reenter the international market, the better will be the chance of importing countries obtaining supplies at a more reasonable price level.

We also see in Canada that shipments are lagging behind last year when they also must have had transportation difficulties, and clearances have been over 100 million bu less than the first eight months of the previous crop season. Stocks of wheat in all positions, however, on March 1st were 33 million bu over 1946.

In our own country, where free enterprise has been encouraged and high prices guaranteed to the growers, we have done a remarkable job. Although our price level is considered high, Congress during the war took steps to protect agriculture so that the expanded production then would not lead to disaster in the years following hostilities. The 90% loan and guarantees will be terminated with the 1948 crop, and the present law provides for loans beyond 1948 of 52 to 75% of parity on wheat. Meanwhile, however, parity continues to advance. Much to the surprise of many in the trade, it was slightly higher for the period ending April 15th. This was due to a rise in the cost of goods the farmer has to buy. There was a slight adjustment downward in the March parity but for April wheat was $2.03, which was 1¢ higher than the previous published March parity and 2¢ higher than the revised figure. All other grains were up proportionately, corn being $1.48, and oats 91.8¢. Over one-third of the increase in parity was caused by higher prices of building materials: notably, lumber; about one-quarter resulted from higher food and clothing prices, and the remainder was due to more orless general increases in price. Crop loans are based on parity at the beginning of each crop season, but if there should be no change in parity this year's loan would average $1.83 on the farms, as against $1.49 last year, and would result in a Chicago loan of about $2.05. The corn loan will not be figured until next fall, but if based on the present index would average $1.33 on farms and reflect a value of about $1.43 Chicago. It is not likely that we will have any great change in parity the next few months; so it seems that we will have a relatively high price for our wheat for at least another year.

Primary receipts of wheat arerunning somewhat smaller at 892,000 bu still considerably in excess of last year's total of 1/4 million bu. Kansas City and Minneapolis stocks decreased, making a reduction of 345,000 bu so far this week.

The French government estimates their wheat crop at 144 million bu against 240 million last year, and a pre-war consumption of around 300 million bu. This follows a report of a smaller Italian crop than a year ago, confirming claims of large winter losses.

Today was the first tender day for May contracts, but during the session, there was no confirmation of any grain put out. Oats are still at a large premium in the cash market, and while corn is still at a fair premium, there is some thought that that grain might be delivered soon.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 1, 1947.

Reports of the new crop continue very optimistic, as confirmed by the Santa Fe Railway today. On the 9th of the month, the official government estimate will be made also giving the amount of abandonment, with the remaining acreage for harvest. Various reports indicate that the winter acreage losses have been only a fraction of normal years. Some of the current reports call attention to the luxuriant growth, and in places some fields are becoming rather rank and showing a poor color, but with favorable weather conditions this situation will probably be corrected. That we will have an abundance of grain again this year seems confirmed by past records. One firm points out that in 1942 we had a wet, early season something like the present, and although there were switches in acreages the total area planted was slightly in excess of the intentions given that March. No two years are alike: so comparison of actual plantings with the earlier year would probably not be correct, because then a larger acreage went into oats and barley, with smaller for other grains, but this year it will probably be the reverse.

In looking at our supplies of feed grains, even though undoubtedly we will have a smaller oat crop, indications are that we will start off with a carryover similar to last year, and our season-end stocks of corn promise to be considerably larger than last October 1st. Types of feeding may vary as we have fewer hogs, but the number of cattle on feed is large. Meat production currently is running well in excess of last year. For the week ending April 26th, a total of 296 million lbs compares with 250 million for the corresponding week in 1946. Consumption of meat per person during the first quarter of 1947 was the greatest for the period in the last thirty-five years. This, despite the fact that from last October through March livestock and meat prices have been the highest ever recorded. Meat production this year will probably be somewhat greater than in 1946, but all of the increase will be in beef and veal. A moderately larger spring pig crop than last year will increase pork supplies later, but for the eight months of this year it is expected to be smaller than a year ago. Milk production also holds up well, necessitating considerable feeding to dairy cattle. The Chicago corn-hog feeding ratio stays little better than normal. It is now 12.5, or only slightly larger than 12.2 recorded at this time last year. The egg feeding ratio is improving slightly from the producer's standpoint. The various feeds, such as mill feed, corn feed, oilseed meal, etc. are generally in adequate supply.

There was a fair quantity of oats sold for shipment out of Chicago, which brought some local type of buying in futures, as they figured from the immediate outlook that it is likely that futures might have to approach the higher cash price. There are still over 6 million bu of May contracts open, with less than 1 1/2 million bu of actual oats inChicago elevators, and stocks are currently being reduced. There was more rainfall in the Central States overnight, and although the storm area now seems to have moved East, chances of additional oat seedings are dimmed each day.

The CCC in Chicago after having bought large quantities of corn early in the week continue out of the market except for odd lots which they may need from time to time to fill out lake steamers loading at Chicago. Eastern demand for corn remains slow. The open interest in May futures has declined substantially, but there is still 11 3/4 million bu open, and up to this writing there have been no tenders on May contracts. There is still a moderate premium in the spot market over the futures.

May wheat open interest is still 7 1/2 million bu, showing only a moderate reduction in the last week. Outside markets have a premium on their cash wheat, so at the present time there is no prospect of supplies coming this way for deliveries on futures. If cash contracts continue in force, it is believed that ownership will be maintained of the May future until such time as they may be replaced by cash wheat. Reports of domestic old crop flour business continue slow. Therefore, there is a mixed feeling on the out come of this month against the new-crop futures.

Primary receipts of wheat were 1,308,000 bu, twice that of last year. KansasCity and Minneapolis stocks have decreased 595,000 bu so far this week.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 2, 1947

With no indications of early deliveries on May wheat futures, either at Kansas City or Chicago, shorts have been aggressive and have taken the initiative in trying to cover their commitments. This started yesterday widening the spread again, after there had been a trend toward a narrowing of the abnormal relationship which had existed for some time. We believe that the Commodity Credit Corporation has bought quite a little wheat for May 31st delivery, which, of course, has necessitated sellers to hedge themselves in May futures. Thus it is virtually the same as though the government were actually long May wheat, and this in our opinion is having a very pronounced effect on the market. Another factor today was the unexpected moisture overnight in the Central States, which, of course, delays spring work, which is already very late. It is bound to have an effect on oats, and while there is still plenty of time for corn planting, yet the ground is so wet that it will require sunshine and clear skies to improve soil conditions. There was also considerable covering in May corn owing to the fact that no deliveries or tenders have been indicated yet. Some in the trade feel that this may come later on. In the meantime, the open interest is still quite large. The government now figures that the carryover of corn next October will be between 350 to 400 million bu, which would be more than twice as great as the 173 million bu carryover last year. The carryover of oats next July may be a little smaller than the 292 million bu in 1946, while the barley carryover is expected to be about the same as the small reserve in 1946.

At the present time prices of most feeds are still much higher than a year earlier, but, of course, the comparisons are with the period of OPA price, when everything was controlled. Marketings of corn since October 1, 1946, are the largest on record, but in spite of this are expected to continue large during the remainder of the marketing year. While a retarded spring is mentioned mainly in connection with delaying oat seeding, it must also be remembered that pastures are less favorable throughout much of the country than in recent years, and to some extent this has caused greater than the usual feeding of grain, and heavy feeding of hay and other roughages, especially in the South. It is quite likely that farmers will now plant more corn and soybeans than they had intended early in March, because of the fact that oats and barley were not put in the ground during the normal seeding period. Thus the total feed situation may not be so much different except by way of distribution. The pasture condition for the country as a whole was 79% of normal on April 1st, and this was lower for that date than in any of the preceding five years, but higher than in most of the twelve years prior to 1942.

Primary receipts of wheat amounted to 1,284,000 bu compared with 1,588,000 bu last week, and 606,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 694,000 bu.

Trade was very nervous, but this was to be expected in view of the early strength in May wheat futures in all markets. It seems, however, that while there was not a great deal of cash wheat pressing anywhere, premiums were lower, especially Southwest, and we heard of some sales at Kansas City at 5 1/2¢ over their May wheat futures, which showed relative easiness, at least on the basis. This finally brought in selling of the nearby deliveries, and it took very little to narrow the spread from the wide point reached earlier. With a comparatively small carryover, it is naturally difficult to guess these things, except that we presume that anyone who gets delivery on the last day of May will have to figure what wheat will be worth in June when we come closer to the new-crop harvest.

Corn and oats were quite strong early, but with better weather forecast, best prices did not hold; in fact, fair-sized losses were finally registered for the distant months.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 5, 1947.

Never before in history has the outlook been so wonderful for the production of a winter wheat crop. We are getting confirmation from all sources, and a private report issued Saturday indicated a yield of a billion bu, while today the RobinsonElevator Report also mentions glowing conditions for Kansas, and the possibility that a yield of 262 1/2 million bu for that State may be realized with average conditions between now and harvest. Their conclusion is that the 1947 crop will produce a most generous final yield, even if something entirely unforeseen should happen. In view of the fact that this is only the forepart of May, there are still some hazards ahead, but it is very heartening to have an expert of this kind so optimistic because we are going to have another year when European demand will be very heavy. In fact, it has been this demand which dominated markets for a long time now. Many traders have been refraining from becoming too bearish, believing that there will be a big demand for the first run of wheat, but, of course, they also realize that with a loan of about $2.05 per bu possible at Chicago, if parity is maintained, farmers will impound their grain if there should be any drastic price recession.

For the moment there seems to be a fair amount of wheat offered in Texas for movement in June and July. There has been some business to England, but on the whole volume has not been particularly heavy, and thus futures markets are still reflecting speculative ventures almost as much as anything else. There still seems to be some flour being sold to various European countries for June shipment. On Saturday an additional allocation was granted to Italy, while today Belgium was reported purchasing some flour, apparently to complete June permits. Generally speaking crops in Europe are not going to be very heavy, compared with past performance, although present growing weather is excellent in France, and there may be some slight improvement, but the real damage has been done owing to the very severe winter, plus the fact that not all of the wheat was sown last fall because of the excessive moisture. Here at home it continues very cool in the Central States, although in Texas and Oklahoma high thermometer readings have been registered. Some temperatures were as high as 100 degrees Fahrenheit, which is rather unusual for this time of year. There will be some relief and probably showers Southwest, but our weather man believes that it will be warmer than seasonal for the next few days for both Texas and Oklahoma.

Primary receipts of wheat amounted to 1,309,000 bu compared with 1,949,000 bu last week, and 934,000 bu last year. When the visible supply was posted it showed a decrease of 3 1/4 million bu. This reduces total supplies to 21 3/4 million bu. At the present time we have 6 1/2 million bu more in all positions than a year ago. The corn visible decreased 989,000 bu, leaving 28 million bu in various positions, or 10.7 million bu more than last year. There was a small decrease in oats, and total stocks are 8.3 million bu less now than for the same period in 1946.

Not much attention was paid to statistics; in fact, markets probably would have been lower except for the fact that May wheat futures were rather strong both here and at Kansas City, but there was comparative weakness Northwest. The trouble seems to be that some merchandisers have cash wheat sold to the government, and are long May futures awaiting delivery. This, of course has a tendency of keeping the market tight, and it remains to be seen whether the government will try to do anything about it. They could easily switch this wheat for new-crop position, and get it to Gulf ports for export without much sacrifice. It would be a great help to the market, as naturally with a small carryover these transactions on their part have had a rather sustaining influence.

Oats were strong, mainly due to weather, but corn was somewhat lower, and it looks as though a large acreage will be planted, although spring work has been somewhat retarded in many sections of the country,

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 6, 1947.

During the month of April, farmers of this country had a very prosperous era, and total cash receipts, including government payments, amounted to nearly $2 billion, virtually the same as in March, but about 20% more than in April last year. During the current month it is expected that they will again take in about $2 billion, but this is all understandable in view of the fact that prices have been ruling high, and there have been only a few recessions from the peaks established earlier. Hog products have declined, but at the same time farmers have done very well, and receipts from livestock and products from January through May will probably total about $6.4 billion, which would be 40% above 1946. Most economists are still looking for some recessions as time goes on, and this is already being reflected in the deferred futures of various grains, which are selling at discounts as compared with the actual spot market.

There was very little news overnight except that temperatures in the Southwest were more moderate; a few showers had occurred over parts of Texas and Oklahoma, but nothing very serious. As a matter of fact, we are hardly receiving complaints from any of the important wheat areas, which is quite unusual at this season of the year. Weather in the Central States was mostly clear, but at the same time showers, somewhat scattered, are indicated for tomorrow and the next day, so that there may be further delay in corn planting. In the meantime, a good many farmers seem to be busy in the fields where they can get their machinery working satisfactorily, and very likely is the reason that offerings of corn from the country have dropped off. As a result corn futures led by the May delivery were quite a bit higher this morning, and this came at a time when some of the recent export business had not yet been completed, so that it had a rather marked effect in view of today's light volume of trade.

The disappearance of oats has been very heavy this season--about 1.2 billion bu for the first nine months of the season, which was 5% above last year and 38% higher than the ten-year average. The government explained this by saying that the feeding of oats was very heavy during the first three months of the season before corn became available in quantity, and, of course, with the general shortage of feed grains, oats were used on a heavy scale. In addition to this imports from Canada were next to nothing. We exported about 16 million bu, and this information had an influence today, together with the fact that seeding has been late and as a result probably not the full acreage can be planted even assuming good weather this time on.

Primary receipts of wheat amounted to 1,713,000 bu compared with 1,392,000 bu last week, and 1,008,000 bu last year. So far this week Kansas City and Minneapolis stocks show a net increase of 36,000 bu.

Trade in wheat was rather nervous, it was influenced early by the great strength in the May futures, and especially Kansas City May wheat, which went to nearly 45¢ over July in that market. As we have mentioned on previous occasions, this is probably due to CCC purchases of wheat which must be delivered to them at the end of May. If they would ease the market and accept the wheat two weeks later, we are convinced that it would relieve the strain and stop some of the inflationary tendencies, of which our President has spoken during recent weeks.

There is new wheat being offered in Texas for June shipment at prices considerably less than the spot market, and already the heavy premium of May over July is occasioned by the heavy export business, and the fact that our carryover reserve will be reduced to rather small proportions. Late in the session Minneapolis cash markets, and also their May wheat, became very weak, so that we are within 3¢ or so of getting spring wheat here from the Northwest for a delivery basi. This gave us a rather bearish tinge, and sentiment reversed quickly.

Corn was strong, although yielded some ground at times. Sales from here amounted to 300,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4
May 7, 1947.

Congress in an effort to plan a long-term agricultural program has delegated to the House Agricultural Committee the job of holding hearings to try to work out something that will be mutually agreeable and helpful to all concerned. Many lessons have been learned during the war: notably, that slaughtering animals, reducing production, and plowing-up every third row was not according to the American scheme of doing things in a progressive way. As one of the Kansas City papers recently pointed out, the programs of the 30's will not even be considered by the planners at this time. The war has demonstrated that a busy, well-paid American can consume just about all the food that our farms produce. In the last five years production has reached new peaks, yet all and even more of the food and produce was needed. In our own letters we have pointed out that the population of the United States has increased about 30 million since World War I, and these people are consuming in one form or another about 1,300 million bu of all grain, which is just about the amount that our production has increased since that period.

It is quite evident, therefore, that we are no longer as dependent on export markets as we were twenty-five years ago. In our opinion the mistake that so many economists are making is that they look at the years of peak production, and, of course, with another bumper crop in sight, it would mean four successive years that we have raised more than a billion-bu wheat, so that naturally it would require shipments abroad in order to prevent accumulations at home. Nevertheless, when we go back to a more normal status, we must bear in mind that our present wheat consumption of nearly 800 million bu is probably a little smaller than the ten-year average production. Thus we can no longer afford to have failure crops without bringing about great unrest. Even as we approach the tail-end of the present crop season, we find that our reserve stock will be down to small proportions. The government seems cognizant of this fact, although seems unwilling to relax much on the program that was scheduled months earlier. We have in mind particularly the purchases which were made for the delivery of wheat prior to May 31st. Apparently they are going to insist on the fulfillment of these contracts instead of extending the delivery dates. If they were willing to accept the wheat two weeks later that would, of course, relieve the May wheat situation in the various markets, and would probably not interfere very much with the general export program, but from what we learn they are only going to entertain offers to exchange wheat in certain positions for contracts in other markets where wheat seems to be more plentiful. This will be a help, and the first effect was to strengthen the futures market at Minneapolis, which had been so weak of late. By the same token it eased the May wheat at Kansas City, where much of the recent strength was exhibited, and in fact, that market has been tight now for several weeks.

Overnight weather was a little more satisfactory, although a deluge was received at Plainview, Texas, with 5 to 6 inches of rain reported, but on the whole the moisture was isolated, and the showers that occurred in Iowa and Illinois were not particularly heavy. Warmer weather is expected for the West and Northwest, and it is our understanding that seeding operations in the spring wheat territory are progressing much better now.

Primary receipts of wheat were light and amounted to only 540,000 bu; this compared with 892,000 bu last week, and 645,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 157,000 bu.

Wheat trade was again erratic, some attention was paid to the higher quotations at Minneapolis, and also the stronger cash market there, although for a time July wheat here was rather draggy. Late in the session, however, it responded to the great strength in corn, and this factor also was an influence on oats; bookings of corn are light, and we expect that this will probably continue during the period when farmers are busy preparing the ground and seeding their corn. Reports from the Northwest were generally favorable with respect to planting of spring wheat. Van Dusen stated that in spite of the late season farmers are trying to proceed as planned, although there may yet be some reductions, shifting to coarse grains. The Occident Elevator Co. claimed that very good progress was made during the week, and that with few exceptions all points reported seeding of small grains, with the exception of flax, would be completed this week. Wheat acreage they stated would be only slightly curtailed in their territory due to lateness of the season and excess moisture.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 8, 1947.

There was nothing particularly new in either crop or weather conditions overnight. Skies had been mostly clear, although a few localities had rain, but on the whole the barometer seems to be rising slowly. It is still quite cool for this time of year, and to that extent it may take the soil a little longer to dry out, but as we mentioned yesterday, seeding of spring wheat is making good progress in this country, and we are also told that condition of the seedbed in Canada is excellent, In some places contrary to conditions here, their temperatures have reached fairly high points. Seeding of wheat is advancing rapidly in southern and central areas of the Prairies, with some local districts completed. A few of the early-sown wheat fields in Southern Alberta are showing green. The proportion of wheat acreage planted in the northern zones of the province is, however, still far behind normal; yet a fair to good start in southern districts has been made to coarse grain seeding.

The trade reflected on other matters, and was advised that April shipments of all grain had been very heavy, with about 58 million bu shipped during that period, which included 34 million bu wheat and flour. On this basis we conclude that for the remaining two months of the season, we shall only be able to ship about 50 million bu wheat and flour if we are going to remain within the scheduled limits. Should our clearances be heavier, it would naturally reduce our carryover, but there is no reason for feeling at this time that we are going to maintain the same pace, as the government is fully cognizant of the factthat to reduce our carryover reserve much below the 100 million-bu mark would be a dangerous thing. We still feel that Canada should participate more heavily in sales to Europe in view of the suffering that is taking place. Their total crop last year was nearly 421 million bu. They carried over about 70 million bu, but this gave them a total supply position onAugust 1st of 491 million bu. Since August 1st to April 25th Canadian exports of wheat and flour amounted to only 154million bu, while for the same period the United States furnished 286 million bu. Southern Hemisphere countries were comparatively unimportant, with only 29 million bu shipped from the Argentine and 35 million bu from Australia. Thus the burden has been mostly on the United States, and this is bringing up the question now inCongress as to what our policy should be for the ensuingtwelve months, and whether we should continue to support markets, unless there is better cooperation from other sources.

Crop news fromEurope is not too bright. France will probably raise about 100 million bu less than a year ago, while Italy will likewise have reduced production. As for Britain, the Ministry of Agriculture and Fisheries says that winter wheat has withstood the prolonged frost better than might have been expected. The plant seems to be improving in appearance, and the early-sown wheat has come through the winter better than the late fall, but, of course, it should be remembered that Britain at best can only raise moderate quantities, and will still be dependent on the surplus nations for the bulk of her supplies. It had been hoped earlier that Rumania and other Balkan countries would do better this season after two years of drought. The Minister of Agriculture warned the Rumanian people that if they do not succeed in reaping a good harvest this summer, the country will fall into chaos. Thus, with a world wheat shortage, there is bound to be a heavy demand again for the new crop, but as an offset to this higher prices which may result from heavy shipments may not be witnessed at the start of the season, and much will depend on the extent to which we export our surplus. At the present time it is estimated that even if we are liberal in our selling program, the carryover of wheat one year hence will be about double the expected reserve on next July.

Primary receipts of wheat were light again at 707,000 bu compared with 1,308,000 bu last week, and 1,263,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 426,000 bu.

Most of the strength in grains came during the first hour; about mid-session it was announced fromWashington that additional allocations for May and June exports had been granted, and this also caused a flurry as there was about 4 1/4 million bu involved, covering various grains. It is considered likely, however, that most of the buying has already been accomplished; as a result some profit-taking came into all pits, and after shorts were eliminated it was not too easy to find new buyers. However, the close was very firm, and corn scored the greatest gains. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 9, 1947

Despite tremendous crop prospects in this country, there is not a great deal of bearish enthusiasm in the markets, for the reason that the scarcity factor has been so prominent now for the last year or two. The chances are that the government report to be issued later in the day will confirm private estimates of a winter wheat crop close to a billion bu. On top of this we expect about 265 million bu spring wheat under average conditions, but yet North America is going to be called upon to furnish huge quantities in the twelve ensuing months because European crops are poorer than last year, and even though their harvests come at about the same time as ours, they may wish to eliminate the gamble of waiting to see what happens six months hence to Southern Hemisphere production.

The supply situation at home remains tight, and this is being reflected in the May futures. We can hardly remember a time when the old crop month sold at 40¢ premium over July, where buyers had to wait only about three or four weeks before getting their supplies so much cheaper. We still feel that this factor may assert itself before the end of the month; yet, we cannot overlook the small stocks here in Chicago, with only a few hundred thousand bushels stored here as against an open interest in the May wheat future of 6.2 million bu. The same is true in Kansas City, except on a smaller scale, although their stocks are larger. Indications are that the CCC is still desirous of acquiring wheat on or before May 31st, and while it is difficult to state definitely what their reasons are, it may be that they have ships or transportation that necessitates early delivery. The PMA have re-entered the flour market for purchases during the first half of June, from both Atlantic and Gulf ports. Prices were at unchanged levels, and apparently they are getting moderate quantities now from Texas and Oklahoma, owing to the fact that the domestic flour business is rather flat. However, here again early movement seems to be the important factor because penalties have been imposed on delayed deliveries, and we presume that there must be some foreign contracts involved in these transactions where promptness is so important.

There was very little in the overnight weather news-- only a few scattered showers were reported, and while temperatures continue rather cool around the lakes and in some of the Central States, it also appears that warmer weather in the Northwest would bring relief to the corn belt, and this should prove beneficial for seeding. We understand from some of our offices in Illinois that farmers are busy in the fields, but, of course, with a few days of sunshine and warm weather, their activities would be accelerated.

We have not heard of any definite spring wheat swaps that people have made with the Commodity Credit Corporation, although have been told that if those in the Southwest submitted a proposition to the government to deliver spring wheat at Duluth that something might be worked out. Apparently CCC is mindful of this tight situation, and would be willing to effect these switches, but each proposition has to be individually discussed, and that makes it rather difficult to accomplish much. We have not received any accurate information concerning exchanges actually made. However, the Kansas City future was somewhat lower right from the start, leading to the belief that some transactions might have been put through.

Primary receipts of wheat amounted to 1,345,000 bu compared with 1,284,000 bu last week and 1,057,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 487,000 bu. When the visible supply of wheat is posted on Monday, it will compare with a small increase of 749,000 bu last year.

Trade was only moderate today. There was no particular weakness although the May futures here and at Kansas City narrowed slightly on the deferred months. May corn, in which the open interest is still very large, exhibited strength at times, which likewise influenced later months to some extent. It is generally felt, however, that there has been considerable short covering of corn during the past week; likewise, exporters have covered their commitments pretty well, and this cereal is, therefore, on more debatable ground. There was little feature to the oat market but #2 white oats are still bringing a premium of 5 1/2¢ over the May.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 12, 1947.

There was considerable moisture over the weekend in the Texas Panhandle, also in western Oklahoma and western Kansas. Parts of New Mexico also told of heavy rains during the past forty-eight hours which covered a larger territory, and apparently this is wonderful for winter wheat, which continues to be in excellent condition with a large acreage sown. The government forecast, which last December suggested a yield of 946 million bu, and which looked a little improbable at that time, now appears conservative in view of the small abandonment and the excellent manner in which the plant came through the winter months. Should we raise a crop of 1,025 million bu winter wheat, and an average spring wheat crop of 265 million bu, it would give us a total supply of 1,290 million bu compared with 1,155 million bu a year earlier. In all probability the carryover reserve will be about the same. Therefore, if we ship only the same quantity abroad as in the current season, we could add about 135 million bu to our carryover one year hence, which would bring it just about to normal. Of course, it is too early yet to state what the demands will be during the coming year, although earlier reports from the Continent of Europe suggested that with poorer crops than last year, the demand will be just as large and might even be greater. Just to what extent credits will be arranged for these shipments, nobody can tell; nor do we even know whethe the business will be handled largely through private enterprise or whether CCC will engage itself in the export field again, although we have the feeling that a very substantial part of the total business will be in the way of flour shipments, the same as during the present crop season.

Economists tell us at the present time that our total exports of all goods are running at the annual rate of about $16 billion while current imports barely reach the $6 billion-rate. How long such a paradoxical policy can be carried on nobody knows, but yet we seem eager to protect the Greeks and the Turks by providing them with the necessities of life, although in some cases we have had to turn down certain countries by giving them a smaller allotment than was needed to carry on their normal habits, without considerable sacrifice. Canada could, of course, do more than she has in the past. On August 1st, 1946, the total wheat supply in that country was 490 million bu. The estimated exports of wheat and flour since that time, or in other words for a thirty-nine-week period, have amounted to 158 million bu, which still leaves available for export and next carryover about 157 million bu allowing amply for home uses. While some complaints have been heard that transportation was responsible for the small clearances, we also feel that farmers have been holding back, being somewhat dissatisfied with the low price that existed in comparison with the higher levels here in the United States. Here again is evidence that operations moved more smoothly when we had free, open, and competitive markets rather than too many controls.

The visible supply was late in being posted due to the fact that some points were missing. Chicago wheat stocks decreased 12,000 bu leaving only 364,000 bu here. Primary receipts today amounted to 980,000 bu compared with 1,309,000 bu last week, and 975,000 bu last year.

Markets during the first half of the session were rather tame, and wheat was influenced by the fine crop prospects. Rather late in the session, a dispatch from Washington indicated that operating officials of CCC expected to ask for delivery on all the wheat they had purchased by May 31st. It was intimated that there might be some changes in delivery points if mutually satisfactory arrangements could be made, but in any case it looks as though the government wanted the actual grain. The reporting agency giving us this information pointed out that fear of high prices was still very strong among the top administration officials, and for that reason there might still be some changes in the general program, if skyrocketing prices occurred. In other words, there might be pressure on the very limited holdings of winter wheat. In any case this news had a rather bullish influence. It caused short-covering and final prices were somewhat higher for both old and new-crop positions. There were likewise advances in coarse grains from the low point reached early in the day. Weather generally was considered satisfactory, but traders are rather cautious, and do not seem to venture very far from their base.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 13, 1947.

There was very little grain news overnight. Weather over the Southwest was clear but there had been light scattered showers inparts of the Central States, and on the whole we believe that progress is being made now with respect to preparing and seeding of corn. It will be several weeks yet before wheat moves in the Southwest, but we are looking primarily at Texas and Oklahoma, where harvest is always the earliest, and these two states have a combined wheat prospect of 211 million bu compared with the ten-year average of only 99 million bu. This means that while there will be many holes to fill because of the small reserve stocks, there should be plenty of wheat available not only for our domestic mills, but also for export.

At the same time the government is already thinking in terms of very heavy shipments, and we understand that Secretary Anderson has in mind that we may clear 500 million bu all grains in the season ahead, of which 400 million bu would be in the form of wheat and flour. This, of course, is all on the assumption that present prospects are maintained, and that later on we have a spring wheat crop of about 265 million bu, which was tentatively forecast by the government on basis of planned acreage. We are fully aware of the fact that the requirements from Europe will again be heavy. This comes to us from many sources. For example, the New York Times a few days ago carried an article that the hunger in Germany menaced the US-British bi-zonal policy, and unless some solution was found quickly, the economic merger of the two zones would be doomed to failure within half a year. This was according to an opinion of the highest authorities of the two military governments. We also note that conditions in Britain are far from bright, and that food is likely to be the next crisis, following closely on the fuel and dollar shortages, so that very likely their last arrangement with Canada has not worked out the way the planners had hoped. France, with a crop of about 100 million bu short of last year, will likewise be in the market continually, not to speak of Italy, Greece, and some of the smaller countries which also appear to be deficient.

In yesterday's market short-covering was the most important factor, and apprehension stemmed from reports indicating that our government was not deferring delivery on any of the CCC contracts for wheat. It now appears, however, that some relief may be afforded through swapping of contracts, and while we do not know of any specific exchanges of winter for spring wheat, we understand that some have been made, and at least for the first part of the session shorts in the May wheat future both here and in Kansas City seem to be less nervous.

In the Northwest seeding of wheat was reported as fair to good. During the pastweek rainfall was pretty light, and widely scattered; there were quite a number of days when there was considerable wind. As a result some soil blowing occurred, and many of the reports now speak of need for rain to wet the topsoil and stop the blowing. It is a peculiar thing, but the old adage is still true: namely, that when most of the farmers claim that there has been too much moisture, chances are that we have just about had enough.

Primary receipts of wheat today were a little heavier, and amounted to 1,240,000 bu; this compared with 1,713,000 bu last week, and 2,306,000 bu last year. Kansas City and Minneapolis stocks for one day show a total decrease of 99,000 bu.

Markets were inclined to be a little easier, except that the May futures tightened up after mid-session, and this firmed even the deferred months. May wheat at Kansas City, which had been indifferent during the early part of the session, at one time sold about 47¢ over July, which is an almost unheard of premium. Here at Chicago we believe the widestwas about 43 1/2¢. Best prices of the day were not held, and this refers to corn also, where at times the May future was subjected to short covering. It seems that for the time being, at least, bookings of corn from the country are light, but still the government expects that the carryover at the end of the season will be between 35o to 400 million bu, so we figure when farmers are less busy in the fields there will be a heavier movement to market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 14, 1947

One hears discussions everywhere of high living costs and high commodity prices, with a good many people figuring that consumer-resistance will finally drive prices down, and our government is hoping that this will be the case so that wages will not have to rise further. However, in these considerations, people often forget that all prices are not up in the same proportion, and, moreover, we can never forget that the devaluation of our currency has promoted a certain amount of permanent inflation. So when we talk about high prices, we have to consider on what relation the comparison is made. In any case, wheat is about four times its prewar price, while steel is up only 28%. In terms of 1939 relationships, farm products are nearly 70% higher than non-farm prices, and as such they are the most inflationary group in the cost of living. We have been convinced for some time that prices for old-crop wheat could have been held better in check had the government not demanded its delivery on May contracts, and we have so stated it on several occasions.

However, there may be some factors that the average citizen does not fully understand. We learned today that the food-supply situation in Germany was growing steadily worse, and apparently Army occupation authorities have told our administration that they must have additional supplies of wheat for the occupied zone immediately. The size of these requests is not known exactly, but it is presumed that about 6 million bu wheat and flour is needed for June shipment. Possibly this is the reason that CCC is so anxious to get wheat delivered on its May purchases in order to take care of prompt shipments. As the National City Bank of New York points out in its economic letter for the month of May: "No one has yet suggested any way of bringing farm prices down except through the operation of free markets, and no one need doubt that free market forces in due course will have that effect, for a demonstration has been given in the price declines of the past month. Excessive prices work their own cure. They stimulate production and curtail consumption, and they are working that way now."

Advices from Washington were to the effect that July export allocations for flour, wheat, and other grains would probably be issued before June 1st. If this is done it will be before legal authority is granted by Congress for the continuation of the present program. Nobody can be sure yet when the present law expires what the status of contracts for the sale of flour under quotas will be. Therefore, we have this uncertainty still to face. Press dispatches stated that Russia might be willing to sell about 100 million bu grain, mostly in the form of wheat to Britain this year. There are some qualifications, however, to this tentative offer: namely, that the Soviet has a satisfactory harvest, and inasmuch as there will not be a crop estimate until some time in August, not too much attention was paid to this factor today. Another condition was that a revision of the repayment terms should be considered in connection with the £60 million credit, which Britain granted Russia in 1941. Negotiations on this are about to start. Of course, any such quantity furnished by Russia to England would naturally make her less dependent on other sources, and the same correspondent said that the talk in London of this prospective deal was considered likely to lower wheat prices in Chicago and Winnipeg.

Primary receipts of wheat were small and amounted to only 558,000 bu compared with 540,000 bu last week and 703,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 289,000 bu.

After mid-session, the May wheat futures in all markets became very strong. It seems that the government has re-entered the wheat market although they claim that only small purchases were made in the Northwest to take care of the June and July requirements. Later on, they stated that they had about enough wheat purchased to meet their June allocations and that the additional purchases, possibly exported in June, would apply against July allocations which have not yet been announced. They emphasized, however, that they would not bull the market in their buying program, but, nevertheless, May wheat in Chicago in Kansas City, and in Minneapolis advanced the full permissible 10¢ limit, and this, in turn, had quite an influence on the deferred months

The great strength in wheat also spread to other pits and we had strong markets in corn, with sympathetic effects also noted in oats. In view of the fact that there are only seven trading days for May futures, we presume that erratic swings will be witnessed for another week and, therefore, it is rather difficult to make immediate forecasts

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 15, 1947.

Now that the United States has found it necessary to re-enter the wheat market in face of our extremely tight old-crop position, it seems properto review how much wheat there is in exporting countries If other countries were able to export their surplus wheat, it seems likely that the burden would be greatly relieved from this country, as there is probably up to 100 million bu wheat that appears unlikely to be shipped this season, which if exported would bring carryovers down to levels that would be considered safe. There is no doubt that our carryover, which will probably be under 100 million bu, is as low as we dare go even though we have such wonderful new-crop prospects. Canada, however, considering the emergency might let their stocks run down to very low levels, and if they shipped at the rate of 9 million bu per week, they would still have 40 million bu left in the carryover. However, their average clearances for the first thirty-nine weeks of the season have been only 4 million bu per week. Argentina had a stock of wheat last August 1st of 100 million bu, although in many years it has been considerably less. If they cooperated in supplying Europe's urgent needs, they could furnish 8 million bu per week and still have 85 million bu left on August 1st. This would be sufficient to supply their domestic needs for the balance of the season, with some stocks remaining for carryover. Their exports averaged only slightly over a million bu per week since the new-crop was harvested. Even if both these countries only partially approached these figures, their accelerated rate of shipments might easily add considerable grain to the world's urgent needs. This would help out over the next few months until new crops are harvested.

The foreseeable future indicates an adequate world supply of grain, with heavy demands from Europe, but good crops in the exporting countries. While it is too early to count on size of crops, conditions seem satisfactory in Canada, Argentina, and Australia, where wheat crops are now being sown. The United States seems likely to be in position to supply as much wheat as we have the current year and still probably double our carryover. What wheat other countries may not ship now will be available for exports later, and it would appear that in the months to come large amounts of wheat will be put afloat for destinations in deficit countries.

The various authorities in our own country and abroad continue to emphasize the urgent need for grains to relieve distress in Europe, and particularly in the German occupied zones. Ernest Bevin thinks that after the next three months supplies will be more plentiful, but meanwhile steps are being taken to try to alleviate the condition, and also have some of the hoarded grain released from German farmers.

Evidently prices for our May wheat had advanced to limits where commercial business was greatly reduced, and premiums in the Northwest and Southwest have declined to levels close to delivery basis; spreads in Kansas City May futures have approached a shipping difference, and Minneapolis even exceeded it compared with Chicago.

The weather was exceedingly favorable in the far Southwest, with heavy rains reported in Texas, Oklahoma, and Kansas, and coming at this time it should give a good reserve for the filling period, and assure a continued favorable outlook.

Stocks of wheat in Kansas City and Minneapolis so far this week have decreased 533,000 bu, which no doubt is the result of smaller primary receipts --760,000 bu, slightly in excess of last week, but only about one-third of last year's total.

The corn and oatmarkets declined along with wheat, but the cash markets remained firm, with premiums still in excess of the delivery basis. There were good shipping sales of oats again reported out of Chicago, which will tend to further reduce our stock. There is only one week more for trading in May futures, after which time all contracts will have to be evened up by deliveries. Substantial decreases were recorded in both wheat and corn, and a fair amount in the May oat futures during yesterday's session, and probably further reduced today.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 16, 1947.

As had been anticipated, the Department of Agriculture has made tentative allocations of exports for July shipment. It seems likely from the tenor of news coming out of Washington that the government will have power to control grain exports at least for about half the crop-year. But in any event the government will continue to handle grain for military occupied zones in Europe and Asia, and they might at the wish of foreign governments also handle grain for their account. It seems possible, therefore, that the trade will not play a much greater part in the wheat shipments than they have right along. Mexico, the one important country that has right along been left to the trade, has also been designated so for the July shipments. It seems to be the intention of CCC not to buy new-crop wheat in any volume until it is available. Marketwise this would tend to reduce buying power from the normal course of export business. If the business were left to the private trade or the CCC bought ahead, it would bring buying power into the futures market at an earlier date. However, on the flour business needs will be anticipated sooner, with mills probably protecting themselves by futures purchases before new-crop hedges are received in the market in volume. Allocations have been given for a total of 54 1/2 million bu grain, which included 17 1/2 million bu wheat, 19 1/2 million bu flour in wheat equivalent, 12 million bu corn, 4 3/4 million bu barley, and about 1/2 million bu oats.

As we get along into actual application of shipments, it might be that further allocations will be given as they have from time to time in order to supply countries considered in most urgent need. Today, it is stated that France will receive 6 million bu corn not previously allocated to them, which comes out of the CCC holdings. A few days ago occupied Germany was the place most sorely in need of immediate grain. So it seems that the intention is to ship every last bit of grain which can be shipped even in disregard for certain economic factors in our own country. There have been statements in and out of Congress to the effect that there was a political angle to some of these large shipments, but despite that there is no doubt of the scant food supply in Europe where in places rations can little more than avert starvation.

Outside of one period when there was soil blowing in the Southwest, there have been nothing but minor complaints on the progress of the crop. From time to time fears have arisen of possible deterioration from too much moisture, and again such thoughts are cropping up. It is mentioned by the Modern Mill in their weekly release, which is a concensus gathered from many sources. We have also had private reports to the same effect. To offset this is the fact that recent rains will supply sufficient moisture for the filling period, which normally would add many bushels to the already fabulous crop.

Primary receipts of wheat were somewhat better totaling 1 million bu as compared with 1,300,000 bu last week and 1 3/4 million bu a year ago. Stocks in Kansas City and Minneapolis have decreased 784,000 bu which indicates a probable decrease in the visible as against an increase of 2,432,000 bu last year.

We heard of some wheat being worked from the Northwest to Chicago with the buyer intending to make deliveries on May contracts. Because the spread between the Minneapolis and Chicago markets was wide enough to permit wheat to come this way, it seems likely that more has been worked. There is not a great deal of time for grain firms to get this wheat into Chicago but track deliveries are always permissible the last three business days if the wheat is inspected and grades in accordance with the Exchange rules.

The country was still a reluctant seller of corn keeping premiums higher than a delivery basis in Chicago which imparted strength to the futures. France will be supplied with an additional 6 million bu of corn from the PMA stock, and also, there was foreign inquiry against July allocations. Coming at a time when the country is not a willing seller it creates the belief that the July future is selling at too big a discount under the cash.

Oat premiums remained strong with good sales again reported out of Chicago, continuing to lessen the chance of deliveries on the May contracts at the present levels.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 19, 1947.

Various comments coming fromEurope are still on the pessimistic side, with respect to new-crop developments, and while we havehad nothing but optimism over here, it seems that the severe winter on the Continent, with improper weather for seeding last fall, combined to make the outlook somewhat gloomy at this time. In addition to all this, Broomhall now reports that drought in Southeastern Europe had grown worse and was spreading into Central European areas, so that we may only conclude that the needs from the other side are going to be tremendous. No doubt this is one of the important factors in sustaining price levels over here. Our government has already shown willingness to cooperate, insofar as possible, to alleviate human suffering and there has been talk that about 500 million bu various grains, including flour would be shipped from these shores in the twelve-month period beginning July 1st. Of this quantity it is considered likely that 400 million bu will comprise wheat and flour, which if attained would be even a larger amount than we shipped during the current season. Of course, prospects are for heavier production, but at the same time it is a little too early yet to become over-confident the latter part of May, with spring wheat hardly showing its head out of the ground. Yet the moisture situation is such that we can feel very much encouraged, and in fact, the overnight rains which were quite scattered, and in spots heavy, are bringing with them appeals for dry weather in order to prevent too rank growth of the winter wheat plant. Whether crops in Texas and Oklahoma will be a little late now remains to be seen, but in many places fields are almost marshy and clear skies would be welcome. There is some chance that showers will occur again tonight in eastern Kansas and eastern Oklahoma, and this may spread also to the Central States, where likewise it is too wet to put in the corn that has not yet been seeded.

Our market opened rather strong, and the May futures both here and in Kansas City were likewise higher. Possibly this was due to a dispatch from Washington that the Agricultural Department seemed insistent on calling for its wheat that had been sold by the trade for May 31st delivery. Apparently a closer survey had disclosed that most merchants were in a fairly comfortable position and would not be severely pressed in gettingactual grain before the expiration of their contracts. However, it was admitted that the relatively small quantity of a million bu that was acquired for the Army last week had caused more than the usual flurry, creating a vacuum of some duration due to existing transportation conditions. This is quite understandable with our prospective carryover of about 100 million bu wheat just less than half the normal, and it likewise demonstrates what dangers could be encountered in trying to figure so closely, if anything should happen to the new crop, or if we should have a wet harvest that might cause a few weeks' delay. It also demonstrates rather close figuring on part of the government if they need the grain so badly now and could not postpone deliveries until the new crop was available a few weeks later. In other words, the grain they receive at interior points would probably not be at the seaboard until about middle of June, and by that time no doubt new crop grain would also be available. All this is indicative of the delicately balanced situation, and accounts for the erratic swings that we are having in the May future, because nobody wants to pay a premium of 40¢ per bu unless he actually needs supplies for immediate use.

When the visible supply of wheat was posted, there was a decrease of 2,200,000 bu, reducing total stocks in all positions to 19 million bu; this small quantity is hardly larger than the amount on hand a year ago same time. Chicago stocks are about the same, with only 362,000 bu here. In corn there was a sharp contraction of 4 1/2 million bu. The visible is now 20,850,000bu, or 3 3/4 million smaller than last year. The oat visible of 4 1/4 million is only about half what it was last year.

As we mentioned earlier, markets were rather strong at the start but with the fabuluous wheat crop in prospect there seemed to be some profit-taking as time went on, and best prices did not hold. Even May wheat, which still has an open interest of 2 3/4 million bu, showed a tendency to narrow slightly on the more deferred months. We understand during the past few days a fewhundred thousand bu wheat has been worked to come to Chicago on practically a delivery basis. This may finally be tendered on contract. In corn, bookings fromthe country were next to nothing, and this imparted further strength to the May delivery, although the later months were inclined to be slightly easier.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 20, 1947

Despite unsettled weather conditions and further rains in parts of the Southwest, it is still a fact that the United States is the garden spot of the world, and crop prospects are very bright, although possibly some delays may occur due to the fact that dry weather is now needed. Living as we do in a country where foodstuffs are plentiful, and where as a matter of fact even a small decline in retail food prices has taken place during the past week, resulting from sufficient supplies on hand, it is difficult to visualize what suffering is taking place in the balance of the world. Many people had hoped that with harvests in Europe soon at hand, there might be some correction, but as we have pointed out in many of our letters, France will be very deficient in wheat supplies as compared with last year, possibly harvesting a crop of 100 to 125 million bu smaller than in 1946. Italy will produce less, while the Russians undoubtedly will be slow in permitting the movement of any food supplies from farm lands in Eastern Germany and Poland to western zones. There is some talk that Russian grain may be made available for England, but it is too early to count on this as there are many "ifs" and "ands" connected with these deals. From India there are also pessimistic reports, and while there is talk that the wheat yields have been fairly normal in some sections, rust damage has occurred in the western and southern districts of the United Provinces. One of Broomhall's correspondents estimates that the wheat crop will amount to only about 320 million bu, which would be even less than last year's poor return.

From the Continent of Europe unwelcome news of drought in the Balkans and in other southeastern sections suggests that unless some relief is had soon, further deterioration may take place. The one bright spot probably is Czechoslovakia, where crops are responding to warmer weather, and likewise in Germany, abandonment will probably be less than was considered likely some weeks ago. But yet in summarizing all the information available, there can be little doubt that demands made upon the exporting nations will be heavier next year than they were during the present season, confirming ex-President Hoover's remarks when he returned from a trip abroad. The trouble seems to be that total shipments of wheat and flour since last August from the four large exporting nations are about 144 million bu smaller than they were a year ago. Outside of the United States, which has shipped 310 million bu, clearances from the others had been disappointing, and much of this can probably be attributed to the fact that ours is the only country enjoying free markets.

Quoting Broomhall again, who speaks on the Argentine situation, he asks: "Who, for example, could have foreseen that the Argentine government would have used its monopoly powers to fill the State coffers at our expense? One general result in Canada, Australia, and Argentina has been to withhold from growers the high prices paid in international trade and so deprive them of the incentive to increase production, as it should be increased." Commenting on the disappointingly small shipments from Argentina, The Times Newspaper in that country tries to explain this situation by the fact that trading is completely controlled by the government, which is anxious to obtain very high prices abroad, while paying the local producer only sufficient to keep him working. As a result some farmers are threatening to give up planting unless they receive more. We do not have any exact comparisons in wheat, but for corn the basic price to producers was 11.50 pesos per 220 lbs, while actually this corn had been sold to Uruguay at 45 pesos per 220 lbs, or in other words the government received four times as much as it paid the producer.

Primary receipts of wheat amounted to 1,281,000 bu compared with 1,240,000 bu last week, and 2,142,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 183,000 bu.

Toward mid-session there was a report from Brownwood, Texas, that rust had been discovered, and this immediately started shorts to cover, and the market was rather bare of offerings. The big wheat territory in Texas is the Panhandle, and our Amarillo office checked with a number of reliable people and heard of no reports, although it has been very wet down there, and dry weather is urgently needed. Our people in Fort Worth likewise did not hear any damage resulting from actual rust after talking with many dealers in the territory, although some spots admitted there might be a little leaf rust, although nobody was particularly concerned. In any case this was a market factor, although of equal importance is the prospective demand from Europe.

Corn also rallied sharply. Since a week ago yesterday May corn has advanced 20¢ per bu. Country offerings are just a little bit more liberal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 21, 1947.

Hardly ever is there a growing season but that crop scares of one kind or another develop. Sometimes they are founded and serious; at other times they should be minimized from point of view that certain diseases are imminent in plant life, just as a child cannot attain maturity without the measles, chicken pox, or something of a minor character. The one item that is always most serious is drought, and, of course, with insufficient moisture in the ground, it is difficult to have bountiful harvests. We have seldom seen where too much rain caused serious disaster, except that possibly a wet harvest hurt the quality of the grain. If the government forecast is borne out, the 1947 crop of wheat is expected to set a new record, while likewise the rice and corn crops may be near previous records. For the first time yesterday there was some alarm when a report of rust came from Brownwood, Texas, and, of course, stem rust is a malady that often takes a heavy toll, but there have been few cases in history where this disease was encountered in a large way. There have been many years when leaf rust was prevalent, and in fact, the writer was shown some fields in Kansas last June where experts felt some concern, but yet the results were almost the same as though no trace had been discovered. In our anxiety to establish the facts correctly, we had our people inquire from the County Agent in the section from which the report came, and had the reassuring reply from him that there were no reports of rust in that vicinity. As a general rule, hot, muggy weather is responsible for the spreading of this fungus growth, and since we have not had' that type of weather, we rather belittled the report, particularly since rust does not very often occur in winter wheat.

The trade apparently felt more composed this morning, and after a good deal of short-covering, which had taken place yesterday, prices seemed to be a little easier. Of course, there are other factors involved in the situation, because while prospects here remain very bright, the outlook inEurope is for a small crop as compared with normal, and it is even more pessimistic than last year when heavy imports were necessary to prevent starvation. We find already that some of the foreign claimants are buying flour in this country, and this is having a stimulating effect on new-crop deliveries. France and Belgium have already made some purchases against their July allocations, while Holland, Greece, and Italy are expected to buy either today or sometime this week. This, of course, was all expected, and the Department of Agriculture recently told us that of the total allocations for the month of July, about 37 million bu included wheat and flour. Thus other nations may gradually ask for permits to make purchases here, anduntil our wheat actually moves there is nothing in the way of offsets. However, we expect that within three weeks or so some of the early fields will be harvested, and, naturally, at this price grain is apt to be offered liberally, in the event that cars are available.

Mr. Clifton Utley, on his radio time this morning, said that there had been heavy rains in the main producing areas of Russia, which, of course, will be very beneficial, as it has been too dry for the best development of the crop. Despite some improvement there, we feel that the demands upon surplus nations will still be very heavy. In our own Northwest the government tells us that moisture conditions are favorable, although the season is late. If planting intentions are carried out, and the yields equal the 1937-46 average by States, production of all spring wheat would be about 265 million bu. It is still felt that our domestic consumption will be in the neighborhood of 790 million bu, or the same as for the current season. On that basis, and assuming the winter wheat crop is not reduced, there would be about 500 million bu available either for export or additional carryover one year hence. Tentatively, it is figured that our shipments will exceed the 360 million bu wheat and flour that we are clearing this season.

There was very little in statistics, except that the primary movement was light. May wheat is closing out slowly, with still nearly 2 1/2 million bu open before today's session started, but apparently some deliveries are being contemplated. July wheat showed strength at times, particularly when the stock market made a good recovery; likewise, May corn was comparatively strong, with cash corn still bringing good premiums. However, the deferred months were easier, and offerings from the country were heavier; in fact, bookings amounted to about 1/2 million bu. July wheat was finally 1 3/4¢ lower in spite of all the buying.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 22, 1947.

The overnight weather reports were mostly favorable. Clear skies were reported over most southwestern districts, with hardly any rainfall, while in the Northwest they had moisture in a number of spots, the heaviest being at Williston and Bismarck. However, it is still dry in the Pacific Northwest, and the crop now is reaching a critical stage. So unless rainfall is had there soon, we are bound to have more complaints. The yields have already been cut in thosedistricts, but elsewhere it still looks extremely favorable. One of our men, traveling in the southwestern part of Oklahoma, reported that it was still very wet out there, but weather the past two days had been ideal, and the chances are that some cutting would start June 1st, but not before, which is different from past years. If no further rains occur that section should raise an excellent wheat crop.

When our market opened this morning firmness prevailed in most pits, and even May corn, which was quite weak in yesterday's late trading, reversed its trend, apparently liquidation having spent its force. The country it seems was a willing seller when a price of $1.75 per bu was obtainable, but bookings today were lighter, and this leads to the belief that after the May contract is wound up, July corn may do better. In any case, with the absence of pressure, there seemed to be a little better sentiment, although for the first two hours trade was extremely dull. Some buying of new wheat futures was evident, and very likely this was against further flour sales, with Belgium buying an undisclosed amount of flour at the Gulf. The United Kingdom was reported to have purchased 340,000 bu corn from Atlantic ports, shipment last half July, and this likewise is against July export allocations.

Little is heard from Canada, but they also have had a few rains during the past twenty-four hours. The acreage sown to wheat and oats will be smaller than 1946, although a larger quantity of barley was sown, according to the initial intentions of farmers published end of April. In spite of less wheat planted this season, it would still be an improvement over the average period, 1942-46, which had been running at the rate of 22.2 million acres. The Canadian Conference, which met in Ottawa early in December to discuss the 1947 Agricultural Program, had recommended that about a million acres more be planted than was actually sown, but the cut was apparently in response to indifference on part of farmers, and undoubtedly they are not disposed to put in a full wheat acreage until prices that they receive are more in line with competition. Of course, the acreages actually seeded may vary considerably from intentions, particularly since they likewise have a late season in parts of the country, except in British Columbia. So there may be some changes yet.

Secretary Anderson predicted that world demand would continue sufficiently strong to assure American farmers favorable prices for food grains until 1950, if not longer. He explained this by saying that the level will probably be higher than that at which the government is required by law to support most farm products. Of course, any such long-term forecast must be qualified, as certainly there is no assurance that European crops will be as poor for the next two years as at present. However, there is some comfort in knowing that food consumption at home will probably be higher in 1947 than in pre-war years. Per capita consumption of meat, poultry products, and many other articles will be above the average of pre-war.

Primary receipts of wheat amounted to 835,000 bu compared with 760,000 bu last week, and 2,186,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 408,000 bu.

As we mentioned earlier, markets were rather tame for the first two or three hours, but toward the last the May wheat became very weak, and some quotations in the range were as much as 10¢ per bu lower. Whether this will have any influence on the later months remains to be seen. It is our opinion that there is bound to be heavy pressure after harvest. May corn was strong and closed about 14 1/2¢ over the July future, and May oats were also strong, but this was a foregone conclusion as cash oats are bringing such high prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 23, 1947

Despite some minor reductions in food costs, it should be borne in mind that the farmers received 56¢ of the average consumer-dollar spent for farm food products in March. This is a higher percentage than in any other month since records have been kept back to 1913. Prices received by farmers for food products were nearly 6% above the previous records of November and December 1946. In addition the producer is getting direct payments from the government, but these are not in all cases equitably distributed. Just recently President Truman himself recommended some reductions for AAA payments. He pointed out that soil conservation funds are less urgent at a time when American farmers are in an unusually strong financial position. He also noted that 60% of these conservation payments went to about one-eighth of the farmers,which by inference meant that many of the others received very little. As the Des Moines, Iowa Tribune stated editorially: "Congress is taking the view, with good reason, that government spending should be reduced to a minimum in this period of inflation." They admitted that out in Iowa people were just as much interested in the Department of Agriculture appropriations as anywhere else. Therefore, what happens in the next few weeks would be well worth watching.

Our markets this morning opened on a rather firm note. Cash corn and cash oats had been bringing such high premiums over futures that it influenced the expiring May contracts to an extent that the carryover feeling was likewise quite bullish. In other words, it means that sooner or later there would have to be an adjustment between cash and futures, and when the country showed no disposition to sell, there was immediate speculative buying in the market, which influenced mainly the July deliveries. In wheat, the situation was a little different because it is generally realized that within three weeks or so the new crop will be available, and in fact, some cutting may take place in the earlier sections within a week or ten days. However, the continual showers and rains have caused some delay,and in fact, overnight weather was again a little unsettled, although moisture was not heavy anywhere, but in any case it now looks as though we might have to deal with some wet wheat when the harvest starts. This had a more bullish influence on July than on the later months, and with possibly some buying by mills against sales of flour, there seems to be very little pressure from the country or from anyone except previous buyers. Thus all markets ruled strong, and little attention was paid to the bumper crop prospects, which in our opinion will become a factor a little later on.

In Canada generally good progress has been made with seeding. Scattered showers or light rainfall occurred in practically all districts the past week. Manitoba seeding is about 60% completed; Saskatchewan around 40%; and Alberta 48%, according to a report by Sanford Evans. Moisture on the whole is also very satisfactory, and the Searle report indicates that the condition in Alber ta is 100% of normal compared with 77% last year. Condition in Saskatchewan 91% of normal compared with 81% a year ago. Manitoba, which is the smallest producing province, has a condition of 90% compared with 93% same time last year. Thus prospects are just as good now as they were for the 1946 crop, although nobody can tell yet what their export policies will be. Since last August, Canada has shipped only 168 million bu wheat and flour compared with 294 million bu a year earlier.

Primary receipts of wheat amounted to 624,000 bu compared with 1,014,000 bu last week and 2,587,000 last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 478,000 bu. When the visible supply is posted Monday, there will very likely be a decrease while last year stocks actually increased by nearly 4 1/2 million bu.

Buying was rather spirited at times in both corn and in oats, and this was a reflection of strong cash markets which in turn also influenced a higher closing for the leading cereal. Recent government purchases of corn have been large. The trade feels that wheat clearances will be heavy when the new crop is av ailable particularly since the production in France will only be about 60% as large as last year, while Italy's crop is only about 80% of last year's. However, it should be noted that farmers in both these countries are reluctant to sell their grain at low fixed prices, and it is feared that much wheat is being fed to livestock instead of being shipped to the flour mills.Under these circumstances, it seems unreasonable that we should strain ourselves to give them more and more allocations without getting some cooperation on their part.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

May 26, 1947.

By this time everyone must be convinced that there will be a large, continued demand for foodstuffs in all importing countries. Wheat will continue to be the major commodity, and the United States will be the largest contributor to these shipments. Luckily, with a record crop of 1,300 million bu, we will be able to ship as much as we have in any year and still increase our carryover. The current year's exports will probably be around 360 million bu or slightly less than 387 million bu, the all-time record of wheat and flour exports during the 1945-46 season, which surpassed all former years, the largest of which previous to that date was 1914, when exported 335 million bu. Our current home uses of about 800 million bu would still provide equal to record exports and leave enough for probably 100 million bu increase in the carryover.

News on the crop continues favorable, but as we are approaching harvest, clear weather would be desirable, whereas we continue to get showery periods, which in some cases have caused concern. Over the week-end, the earliest harvested sections had most satisfactory conditions, and the first wheat is expected to be cut this week. While leaf rust is present, authoritative sources deny the presence of black stem rust. In some cases, it had been mistaken for this damaging kind, but after qualified examination the apprehension was relieved. There has been some flour export business to foreign countries, with our private trade, but up to this time PMA has not entered the market past June 15th, except with penalties on later June shipments. During this week, however, it is expected that their buying program will get under way for late June and July shipments. New-crop hedges have not been felt in the futures market, so the offset to flour buying has been dependent on speculative futures sales, which meanwhile have been partly influenced by outside motives, such as the higher prevailing old-crop values and the strength in corn and oats.

Seeding in Canada apparently is well along, with many places in southern areas completed, and even in the far northern sections, from 25 to 90% finished. The moisture situation has been good, with recent fairly general showers, but cool weather has prevailed. In our spring wheat areas, there have been some showers during the past week, but the western part has been much less favored. In parts of the Pacific Northwest states droughty weather is taking its toll of the crop, but for the country as a whole, this is not too important, as that is a surplus area. It might tend to reduce export quantities available from the coast but still leave ample domestically.

Farmers are not marketing their corn fast enough to meet the export and domestic demands, and during the past few weeks terminal stocks have been reduced liberally. There is a great quantity of surplus corn still on farms, and the demands for feeding are not too great. The Department of Agriculture has recommended that the farmers keep 15% more sows than a year ago, which is designed to building up a fall crop of pigs of 35 million as against last year's 30.6 million head. Such a crop would make a total of 88 million for the year, or 5 million over 1946. Planting of corn is making nice headway, wit as high as 75 to 90% completed in some sections in Central Illinois, and as weather permits, the crop is being planted farther north.

The wheat visible supply decreased 3,417,000 bu for the week, leaving stocks of 15 1/2 million bu. There also was a 3 1/2 million bu decrease in corn, which has put the stock down to 17 1/4 million bu. Stocks of corn in Chicago were reduced 3/4 million bu, leaving less than 2 1/2 million bu in store here. Oat stocks in this city after a reduction of 218,000 bu are only 235,000 bu. Primary receipts of wheat today were 1 million bu compared with 1 1/2 million bu same day last year.

Easiness in cash premiums for both corn and oats affected sentiment, with lower pit quotations from the early advance. Apparently there was further export business as concentrated buying by houses with export connections in the fore part of the session was quite impressive.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

May 27, 1947.

Dr. Fitzgerald, Secretary-General of the International Emergency Food Council spoke in rather pessimistic terms yesterday, as thirty-four nations convened to discuss Europe's food problem. There can be little doubt that the severe winter and present poor outlook for production on the Continent will require heavier exports of grains and foodstuffs during the coming year to alleviate suffering abroad, but on the other hand, Secretary Anderson pointed out that he was a little worried about the market effects in connection with international requirements for cereals, particularly insofar as it affected our own domestic economy. He served notice to foreign food buyers that we will export only about 300 to 350 million bu wheat and flour equivalent to famine areas in the coming year, regardless of the size of this year's crop, which is currently estimated to be of bumper proportions. In this view we concur heartily with Mr.Anderson, fully mindful of the fact that billion-bu crops are just as rare as crop failures. If present production figures are borne out, it will be the fourth successive wheat crop in excess of a billion bu, and only the fifth of record. We regard it as an extremely dangerous policy to permit our carryover reserve to sink too low. On July 1st we shall probably have less than 100 million bu wheat on hand, which was likewise the case last year. Should we have had crops of only moderate proportions, or if anything had happened to seriously delay harvest, it would, indeed, have been a sad affair to us. Any time that our reserve stock drops below about a three-month consumption figure, it could cause grave concern, particularly with a population of 142 million persons.

We are, however, also mindful that last year at this time, our government had originally planned to ship only about 267 million bu wheat and flour abroad for relief purposes, which included 17 million bu from the previous season. On that basis it was considered likely that by July 1, 1947, we would have nearly 200 million bu on hand, which would have been only slightly below average. On November 29th, a statement was made that government purchases, including the wheat under contract,were about enough to take care of all foreign commitments.

Prices declined somewhat with May wheat down to about $1.84 per bu, but on December 19th, when the government crop report was issued, indicating a prospective winter wheat yield of 946.5 million bu, the entire policy underwent a change, and it was only a few days later that word came from Kansas City that CCC would support wheat on basis of $1.88 per bu for shipment in May. As time went on we were told that in view of a larger prospective crop, it would be possible to carry on the export program with greater vigor, and that the government planned to ship 400 million bu grain by March 31st, and to continue shipments at the rate of 56 million bu per month to the end of the season, bringing the total to between 500 to 550 million bu. The increased goal, it was stated, would include 350 million bu wheat and flour equivalent, or 83 million bu more than the original goal. We mention all this so that our readers may bear in mind that while the present plan is to build up our reserve stocks, humanitarian considerations may later play their partregardless of what may be stated at this time.

Overnight news was reasonably favorable with respect to weather, although some rains occurred in the eastern sections of Kansas, and it seems, that unsettled weather is still in prospect for the next twenty-four hours, with light to moderate showers possible. There is also a chance for rains in the Central States, all of which influenced opening price levels, but after that the downward trend, which started yesterday, continued, and, of course, each day now brings us closer to harvesting operations. The recent weather in Texas and Oklahoma has been fairly good, but southern Oklahoma reports some lateness, although the early territories will probably cut wheat by the first of next week if no rains occur. However, in some of the later sections it may be two weeks yet before harvest. Crops look good and the acreage is large.

Primary receipts of a million bu wheat, while not large in comparison with last year, are still fairly good in view of the small prospective carryover.

In today's trade the deferred futures of wheat and corn came in for more attention. December corn had been lagging, but there seems to be more recognition that the price is not high in comparison with the probable loan, and several commission houses today were on the buying side. This strength also affected the neary deliveries.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 28, 1947.

There are two items uppermost in the minds of a great many traders: namely, the European supply difficulties, and secondly, the weather. Ordinarily at this time of year any report of showers or rain would bring glad tidings to those interested in bountiful crops, but having had so much moisture already in parts of the winter wheat belt and the corn states, a period of dryness now would be more than welcome. At the same time there has been no moisture in Texas since Saturday, and we had a message from there this morning stating that it was clear and warm yesterday and today, the wheat crop looked excellentfrom Lubbock to Clovis, and harvest would probably be about normal running from June 20th to 25th. However, the weather map was otherwise rather disappointing, and rains are indicated for eastern Nebraska and eastern Kansas tonight, also heavy precipitation over the corn belt, which was construed in a rather bullish vein. Those who are watching crops closest probably have in mind that seeding of corn in northern Illinois has been delayed, and progress has been slow, but possibly they forget that in the central and southern parts of the state the development has been better. Taking Iowa, which is the largest corn producing state in the Union, we have an official crop bulletin this morning showing that on May 24th, 76% of the crop was planted, and about 34% of the soybeans had also been sown. Excellent progress last week makes corn planting only about one or two days later than normal but about six days behind 1946, when weather conditions favored early planting. Thus, it may be that people forget what takes place in other years, and particularly at a time when bad weather has an adverse influence on the ordinary disposition.

We have known for a long time that European needs during the coming season would be large. In France, Germany, and Italy, the bread rationing has lately been reduced, while the utmost economy has been exercised in Belgium and Switzerland. Some of these difficulties are due to delay in shipping wheat from Canada, and the disappointingly small rate of exports from the Argentine, which meant that native supplies were used up more quickly than had been planned. Of course, there are other contributing factors, such as the excessive feeding of wheat to animals in France because of price distortions, and this matter should be recognized by our government before further allocations are granted. It is rather difficult to get accurate information from that country due to the fact that the French government, according to Broomhall, frowns on private crop reports, and there seems to be some doubt as to the accuracy of official information. Some people are of the opinion that conditions are not quite as bad as claimed, and it is known for a fact that in some of the other European countries, crop prospects have brightened during the past month. Germany's rye crop has weathered the winter well, while Czechoslovakia, Italy, Belgium, and Holland make light of the winter killing, which is estimated at 7 to 10%. In France, the estimate of loss runs as high as 30%, and may be correct, although for the reasons explained, there might be some doubts expressed.

A few fields of wheat were cut in western Texas yesterday, which, of course, is not the main producing territory. However, the yields ran from 18 to 20 bu per acre. The chances are that in the Texas Panhandle harvesting operations will not start for another few weeks yet.

Primary receipts of wheat today were small, amounting to only 481,000 bu compared with 484,000 bu last week, and 1,859,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 163,000 bu.

Towards the middle of the session, official forecasts were that temperatures would recede to below freezing in western areas of the wheat belt. Our people in those sections of Nebraska and Kansas believe that the wheat plant in its present state could stand temperatures of 26 to 28 degrees without damage. Nevertheless, this forecast had a great influence on the market, with general type of buying coming into all pits. The wet weather accompanying these temperatures has caused some apprehension about corn also. Nervousness is predicated on the idea thatthe world needs our grain and any serious harm to our crop would make food conditions more difficult throughout the world.

Great strength in cash premiums, particularly in the Southwest has added to the strength in the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 29, 1947.

The late weather reports yesterday were quite alarming, and it was considered likely that low temperatures would visit parts of the growing areas of Kansas and Nebraska, where in some cases the plant was beginning to head out. All during yesterday's session some apprehension was expressed due to the fact that cold weather was coming so late in thesession, and there was considerable short-covering, influenced also by a 12-inch snowfall in one spot in Nebraska, but it seems that the overnight weather was not nearly so bad as had been anticipated. Near-freezing temperatures occurred in several spots, but only minor freezes of any kind were recorded, and at the same time indications were for warmer weather and clearing skies. There had been rather heavy rains in the corn belt, and some snows in Iowa, which is certainly not wanted at this time of year, with some corn seeding still to be accomplished. But at the same time it is felt that given a week of dry weather most of the sowings can be accomplished, and many in the trade believe that even if the corn gets into the ground by June 10th, it will not be too late in view of all the moisture we have had, which should bring about fast germination of the seed. There may be some replanting of corn necessary where cold weather has done damage, but it is too early yet to say much on this score.

Nevertheless, when our markets opened this morning, and less concern was felt as to the development of new crops, there seemed to be enough selling in the pits to give us recessions, particularly after yesterday's heavy short-covering. Other facts are still the same and we feel that the demands from Europe will be heavy in the season ahead, but by the same token, it is also recognized now that we have our limitations. After Dr. Fitzgerald made his statement recently in connection with matters pertaining to the International Emergency Food Council, Secretary Anderson wrote this gentleman a letter, which has now been made public, and copy of which we have in our possession. The Secretary states that while there are prospects of another bumper wheat crop, there is no assurance yet that the yields of corn will be large enough to duplicate these exports in 1947-48. "The United States," he went on to say, "would, of course, make available every bushel of grain it could possibly spare and transport, but even this would not resolve the difficulties which appear to be facing the deficit grain supply countries." He concludes by saying that unless every precaution is taken to insure against the dissipation of supplies, the world may be confronted a year from now with food problems more difficult than those facing us at present. This, we believe, is the reason that we are going to try to hold down our clearances to more moderate proportions and thus build up a larger reserve stock at home, as naturally there is no assurance that these billion bu wheat crops are here forever, and just like yesterday, a frost scare brings to mind that we have to have almost perfect conditions in order to get the maximum yields, such as we have had in the past four years. In addition to European requirements, India will need very large quantities of food from abroad this coming year, especially since expected imports of rice will not be realized; thus far no wheat has been received from Argentina. Very likely India will take fairly large quantities of milo again, as was the case last year, particularly since her own wheat crop suffered late damage from rust, and the loss in yield is estimated to be about 75 million bu.

Primary receipts of wheat were a little better, amounting to 1,109,000 bu compared with 835,000 bu last week, and a holiday last year. Kansas City and Minneapolis stocks so far this week show a decrease of 188,000 bu. There undoubtedly will be a shrinkage in the visible supply Monday; while last year there was an increase of nearly 6 million bu.

After a somewhat weaker opening there was less disposition to play the constructive side of the market, because later weather reports were more optimistic, and it seems that with the sun getting higher in the heavens we should have less cold and more seasonal temperatures. Under these circumstances, selling found the market rather poorly supported, and at the last we found that prices made almost a round trip from two days ago, yesterday being the frost scare , and today the reversal with nothing serious apparent by way of crop damage. Cash wheat premiums Southwest were as much as 10¢ per bu lower.

There was some selling of coarse grains from the East. The Chicago corn-hog ratio is 11.1 this week compared with 12.9 last week, and 10.6 a year ago. However, the country is not selling in any quantity, and at the moment there is not a great deal of pressure except some realizing by longs.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 2, 1947.

A rather bearish sentiment had developed on Saturday, and nobodyhad figured that there would be such heavy rains over the corn belt as later occurred. The forecasters were in some cases looking for cloudy skies, but the torrential downpours over the Central States brought additional moisture, which was not wanted, and which in our opinion is becoming more serious now. It means that we have to have almost perfect weather for the next ten days or two weeks to get the corn into the ground, and further it may require a good deal of replanting where the seed has rotted or for other reasons will not come up. We hear all kinds of expressions from people downstate. Many of them are pessimistic, but we also hear from those who remind us of past years when the corn was not planted until about middle of June, or possibly by the 20th of the month, and where good results had been obtained, so that one can only hope for the best. It now looks as though we would get a period of clear weather starting with tonight, but we really need ten days for a drying out period. Thus the trade will be nervous, and, of course, all forecasts will be carefully watched

The chances are that wheat prices would have been lower at the opening, except for the factors just stated. There was some hedging pressure, and we would say that the outlook is still extremely favorable. There was a little moisture in the eastern sections of the Southwest, but some of our friends are of the opinion that Texas will go far above earlier estimates, and that likewise the yields in Oklahoma may be fabulous. However, it will probably be another two weeks yet before real hedging pressure develops. A radio commentator stated early this morning that the Department of Agriculture would shortly buy wheat in the market in competition with the trade, and this may have caused a little apprehension amongst shorts, although in general the market was heavy even when corn and oats ruled strong. We presume that later on PMA and various organizations will buy both wheat and flour, but, of course, this has been expected right along, and with a billion-bushel winter wheat crop, we have to have a good many export outlets to maintain present prices.

The trade is also waiting to see what the June parity on wheat will amount to. For the first time in eight months, the index for May showed a slight decline, and this downturn resulted from lower prices for feed, food, household supplies, and seed, but it is always difficult to try to compute or to forecast what might happen in the thirty-day period ahead. Naturally a high loan will have its influence, and while undoubtedly a large proportion of the crop will be sold, we are also beginning to hear more inquiries for storage, so that possibly a good deal of wheat may again be impounded this coming season.

When the visible supply of wheat was posted, there was a decrease of 1,102,000 bu, reducing the total stock to slightly under 14 1/2 million bu. This represents just half as much wheat as we had on hand a year ago, but chances are starting next week increases will take place. Chicago stocks were unchanged, with only 365,000 bu here. In corn there was a sharp decrease which amounted to 3,624,000 bu; total stocks are 12 3/4 million bu smaller than last year. It seems that the shrinkage is mostly at the Seaboard representing shipments to Europe.

Our market today acted about the way one would have expected; July wheat was the weakest, and of course that month will encounter pressure first. However, the difference between July and September here in Chicago is still wider than at Kansas City, and the chances are that as time goes on the premium may be wiped out completely. Everything depends of course on the size of the movement, and to some extent the timing.

Corn was naturally influenced by the wet weather, and a good deal of buying came into the deferred months, which is also quite natural. The oat market at one time sympathised with the weakness in wheat, but on the whole was rather firm, and we must always bear in mind that the full acreage was not planted --the chances are that the acreage will be only 85 to 90% of what had been intended earlier. Total oat stocks in the visible are slightly over 4 million bu, which is about 1 1/2 million bu less than we had last year. It has been a long time now since we have really had accumulations at terminal markets; this has been the reason for the inverse carrying charge situation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 3, 1947.

Up to the present time weather has been the dominant factor governing grain markets, although for the past two or three sessions wheat has gone a little contrary to the trend of other cereals, owing to the fact that hedging pressure was beginning to make itself felt. Sentiment in wheat after the close last night was bearish, and a good many people had figured that the government would probably not make any purchases for new-crop until authorized by Congress to continue the program which has been in effect now for some time. It was generally conceded that our exports in the season ahead would be enormous, and we have had figures from Secretary Anderson to the effect that clearances of all grain would probably not exceed 500 million bu, but nobody has had any intimation that the overall buying would start immediately.

According to Washington dispatches, the Commodity Credit Corporation will now entertain offers for new-crop wheat, but this announcement has not been followed by any actual purchases, even though the present release stated that such buying had started. Apparently it is more a statement of policy that transactions would take place at prevailing market differentials, and that there was no thought of fixed prices being paid, one observer mentioning that this might not permit the government to acquire large enough quantities of grain. There is still no indication of how aggressive the agency will seek to buy, and presumably the June needs have been covered. However, for July, the USDA has allocated approximately 17 million bu wheat, so that the buying could take on serious proportions. It must also be remembered that whenever the government steps into the market for purchases, it has much more influence than when the private trade buys similar quantities. This is quite readily understood, because with the tremendous resources of our government even though they may purchase only a million bu, the trade often fears that the buying may be five times as great, and thus shorts run for cover, while actual sellers of grain withdraw their offerings. As we understand it, CCC will invite offerings for gulf positions, both for first half and last half of June, figuring that accumulations have to take place in public storage in order to carry out the program for July clearances. The earlier plan for a definite buying program has evidently been abandoned in favor of competitive offers at the market, and all this had a rather stimulating effect on futures prices since the news had come rather unexpectedly.

Another factor was the forecast for more rain over the corn belt, probably to start Wednesday night, and this is likewise a very serious matter, particularly in Illinois and Indiana, where possibly not more than half the intended acreage has been sown. As we have mentioned for some time, we require a week or ten days of sunny weather with higher temperatures to dry out the soil. In other parts of the Continent moisture has not been so abundant, and in Canada, for instance, more rains are needed in virtually all three provinces. However, the condition as compared with last year is still very favorable, and total precipitation is now 93% of normal vs. 94% last week, and only 79% in 1946. According to Broomhall, beneficial rains have fallen over Central European areas, following a period of dryness. There has been some improvement in crop conditions in Southeastern Europe, including the Ukraine, due to timely moisture, but yet it is questionable whether any surplus of bread grains can be obtained in the Danube Basin.

Primary receipts of wheat amounted to 1,368,000 bu compared with about 1 million bu last week, and 2,829,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 122,000 bu.

Outside of unfavorable weather news for corn, and the fact that the government was re-entering the market for the purchase of wheat there was nothing very startling. However, mills undoubtedly bought some futures against flour sales to the chain bakeries. There may also have been some hedges covered here against wheat sold to the Commodity Credit, but it was difficult to trace. We had some hedging sales at the opening, and as times goes on this is apt to have quite an influence, although for the present it is hardly a factor. #1 yellow corn sold at Chicago at $2.00 per bu, bookings from the country are still light; in fact sales out of Chicago were heavier than purchases. While best prices did not hold all markets were nevertheless very strong, and it is considered likely that PMA may be in the market for flour within the next week.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 4, 1947.

There had been some rain reported overnight, but of greater importance was the forecast suggesting a generally showery condition over virtually the entire country. Rains coming at this time in the spring wheat belt are, of course, helpful, and likewise over the Pacific Northwest, but the corn belt needs a week or ten days of dry weather and higher temperatures in order to complete seeding, but apparently this is not in the cards, according to most weather observers. As a result, our market started on a rather firm basis, although in wheat, sentiment was somewhat tempered by one of the private estimates indicating a winter wheat yield of 1,065 million bu. This is an increase of 40 million bu over the last government report, and shows that while the moisture has retarded planting of corn, it has had a very beneficial effect on the wheat plant. In looking over the individual State reports, we find that tremendous yields are likely for the important southwestern areas. For example, the Kansas crop has a potential production of 285 million bu, Texas nearly 120 million bu, Oklahoma 111.8 million bu, and Nebraska 102.8 million bu. These are yields, the like of which no living person had a right to expect even under the most favorable auspices.

Naturally such crops would ordinarily move in tremendous volume and we still believe that farmers will be anxious to sell, although yesterday's announcement by the government that they would entertain offers for first half and last half June shipment will create more of a holding tendency. This seems to be unfortunate at a time when the bins are rather empty because of depleted reserves. Our government in carrying outs its program to export heavily brought about a situation in which the reserve stock on July 1st will be less than 100 million bu. Ordinarily 235 million bu is considered average, and, therefore, there are going to be many holes to fill in as the crop moves. President Truman and other men in high position seem anxious at the present time to prevent inflationary tendencies, and thus price recessions would be welcome. However, there is little chance when a government as powerful as ours, and as resourceful, advertises that it is going to be in the market for grain. We have known, of course, that the European needs would be tremendous, but in this particular instance the timing seems to be bad, and if the CCC had waited about two weeks so that some of the millers and other processors could have secured supplies, the competition for first offerings would have been less keen. Very likely we would have had fewer distortions. CCC claims they purchased 925,000 bu wheat yesterday in the Southwest, and while this is not a large quantity we repeat again that their operations have much more than the usual effect on prices.

In corn, the carryover feeling from yesterday was somewhat bullish, and, of course, further inspiration was afforded this morning with the possibility that the acreage might be curtailed now, in the event that farmers could not get back into the fields for another week or two. A showery condition does not necessarily mean that all localities will be visited with heavy moisture; nor can the map readers tell whether these rains will continue for three or four days, or whether we may get clearing conditions after tomorrow. However, there is a nervous tension owing to the fact that the season is already so late. Probably not more than half the work has been done in the Ohio Valley and lake region, although in Iowa, according to government estimates, only 15% of the crop is unplanted at this time.

Primary receipts of wheat were very light today; they amounted to 463,000 bu compared with 481,000 bu last week, and 1,619,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 214,000 bu.

Best prices were registered during about the first hour of trade later on some hedges came into wheat, and with the local crowd on the long side of the market there appeared to be some liquidation, with the result that we had rather sharp recessions from the early highs, We find it difficult to guess how much wheat is being bought by CCC; undoubtedly, however, they are accumulating a little on declines, as the country is bound to be in a selling mood with such phenomenal yields.

Corn and oats were finally influenced a little by the weakness in the leading cereal, although the weather forecasts are not at all heartening.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

June 5, 1947

When we started the present crop season, the government recog- ized the tremendous deficiencies in European countries, and our riginal goal was for about 400 million bu of all grains, including lour, which was about as much as had ever been previously shipped from he United States. The largest clearances of wheat prior to 1945 took lace in the three-year period, 1920-22, when we were supplying im- orting countries with about 288 million bu wheat annually or 45% of otal world shipments. Even in the boom period, 1925-29, when world hipments averaged about 780 million bu, our percentage had fallen to 9% of the total, with the result that we were exporting on an average f about 150 million bu. Therefore, the original target last summer ooked quite large even admitting that we had raised another billion- ushel wheat crop. Of this 400 million bu, it was contemplated that 67 million bu would consist of wheat and flour equivalent, and 133 illion bu corn, oats, and other grains and grain products. A large ercentage of wheat was scheduled for the reason that foreign claimants howed a preference to this bread-grain for food purposes; moreover, t was recognized that there would be difficulties in drying and ship- ing other grains, and that other sundry problems might arise in the ffective use of these other grains by the claimant countries. Had we dhered to our original program, we probably would have had a wheat eserve stock this July of close to 200 million bu, or nearly a normal ne. However, as time went on, the demands increased, and it was ater decided that wheat shipments alone might run as high as 350 illion bu. On that basis our carryover stock would be cut to about 00 million bu, or practically the same as last year. We are of the pinion, however, that when the final count is taken our clearances ay even exceed the enlarged goal, and might not be so far below the ecord figure of 391 million bu a year earlier.

During the past six weeks, the government has granted emergency llocations to numerous countries, which were made possible by the im- rovement in the transportation situation. Thus we are inclined to be- ieve that our carryover may be further cut and may have reached the owest figure in recent times. Of course, there is quite a large mount of flour that has not yet reached the seaboard for shipment broad, and if this were figured as wheat equivalent, it would give us slightly easier situation, but inasmuch as it may already be in ransport to ports of shipment, it can no longer be regarded as part of he domestic supply. It does bring to mind, however, that if anything ad happened to the new crop we would be faced now with a very serious nd possibly a dangerous situation. The fact that old wheat is bringing premium in Kansas City of about 35¢ per bu over July, with the exas and Oklahoma movement already under way, indicates the very close djustment between supply and demand.

The overnight news was not at all favorable with respect to eather. Heavy but scattered rains were reported in Iowa, Nebraska, nd Missouri. While they were not too serious in all localities, here was as much as 5 inches at one or two Iowa stations, although the recipitation in Illinois was rather moderate, but the early map sug- ested more unsettled weather for the next twenty-four hours. This nfluenced corn prices at the opening, but in wheat hedging pressure as more of a factor, and we believe this will continue to be the case s the movement enlarges.

Primary receipts of wheat were a little bit better today, and mounted to 839,000 bu compared with 1,109,000 bu last week and ,933,000 bu last year. It is quite obvious from this that the season s later. Kansas City and Minneapolis stocks so far this week show a otal decrease of 433,000 bu.

There was never much strength in wheat; in fact, some pressure rom hedging, although nothing of heavy proportions. It seems that the remium of July over September is gradually narrowing, although to a esser extent here than at Kansas City. With these phenomenal yields nd good weather to the present time for both Texas and Oklahoma, we ould not be surprised to see July and September wheat finally sell at ven money. Undoubtedly most of the hedges will come into the nearby eliveries in order to obtain the higher price. There seemed to be quite little realizing in corn today, and while there is no definite weath- r improvement in sight for the next twenty-four hours, indications are hat by Saturday or Sunday the rainy season might be at an end. The dis- ant months were inclined to be weaker than July, which is natural, as ash corn on the tables is still bringing tremendous prices and pre- iums.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 6, 1947.

The Department of Agriculture now estimates that the wheat carryover on July 1st will be reduced to 75 million bu. This is the smallest reserve supply since 1918, when our carryover had been reduced to 40 million bu. That likewise was after World War I, when European demands were very heavy and when our exports totaled 279 million bu. Since then we have always been able to provide for about two or three months' consumption, and thus if the new crop had been a little late, there was no great concern. In fact, during the early war years starting in 1941 when our exports dropped to nearly nothing, we built up tremendous reserves at home, the peak having been reached in 1942, with a carryover of 632 million bu, which was a larger quantity than was produced in any of the four drought years from 1933 to 1936, inclusive. As we have stated previously, we regard it as somewhat dangerous to pursue a policy of permitting stocks to sink to too low a level, although with a bumper crop indicated no great harm has been done, although one cannot count on continuation of billion-bushel wheat crops forever. Thus we feel that Secretary Anderson is wise in trying to build up our reserves during the coming season.

To illustrate our supply and demand situation for the past ten years, we tabulate figures indicating rather clearly how our supplies have been consumed each year, and insofar as possible we quote official figures except for the projection of the 1947 data, where it is necessary to make certain estimates, but even here we are attempting to use estimates suggested by the Bureau of Agricultural Economics. In order to reconcile the probable carryover on July 1st, we found it necessary to increase the estimated domestic disappearance for the current season to 806 million bu, although this figure is subject to revision in the event that crop estimates are later altered:

	July 1st		(Millions of Bushels)		
	Stocks	New Crop	Total Supply	Disappearance	Net Exports.
1938	153	920	1,073	714	109
1939	250	741	991	663	48
1940	280	815	1,095	676	34
1941	385	942	1,327	667	28
1942	632	969	1,601	946	33
1943	622	844	1,466	1,219	- 70*
1944	317	1,060	1,377	985	111
1945	281	1,108	1,389	900	389
1946	100	1,156	1,256	806**	375**
1947	75	1,291**	1,366**	800**	350**

* Imports
** Estimated

During the first part of the session, markets were all rather indifferent. July wheat continued to lose on the more deferred futures and while coarse grains were firm, there was no spirited buying. However, the weather map that was posted around mid-session was rather disappointing as it indicated no clearing conditions for the next 72 hours, and, in fact, there was considerable possibility of rain for central and northern Illinois during that period, also, the same for Indiana, but moisture growing less along the Ohio River. This caused a buying spurt with many futures going into new high ground for the season. This, in turn, finally influenced wheat prices.

Broomhall figures that on August 1st Canada will have a carryover of 72 million bu which would be 3 million bu more than last year, Argentina 90 million or an increase of 34 million bu over the year earlier, and Australia 75 million which would be 12 million bu more. This all seems unfortunate at a time when we have strained every effort to help starvation conditions in Europe, getting so little cooperation from the other surplus countries.

Primary receipts today were 933,000 bu compared with a holiday last week and 2,197,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 556,000 bu. When the visible supply is posted Monday it will compare with an increase last year of 4,391,000 bu.

Weather being the most important factor it seems difficult to figure on much weakness until there is an improvement. However, in wheat, there is more hedging pressure coming into the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 9, 1947.

Weather over the week-end was much better. Rains occurred in our Northwest but over the winter wheat belt, it was generally clear except for some rain around Wichita, and apparently there were clearer skies over the corn belt. Some sections of the latter have now had two to three days of drying weather, and very likely seeding operations can be resumed shortly unless there is further precipitation. The map is not too optimistic in this direction, and our own weather man is of the opinion that by tomorrow night the corn belt may be faced with scattered showers, although there is no indication that moisture will be as heavy as in recent weeks. In reading over reports from various Illinois localities, we find that progress has been slowest in the northern third of the State. Elsewhere corn has been sown anywhere from 60 to 80% of completion, and from what we hear progress in Iowa has been considerably better.

At the moment attention centers largely on wheat for the reason that more territories are maturing each day, and as a result there is bound to be added hedging pressure as time goes on. The late break which took place Saturday unsettled confidence, with a considerable number of stop-loss orders uncovered, and apparently the market was poorly supported. We find that since last Friday CCC has reduced its ideas on purchases by about 5¢ per bu, and at the present time wheat for last half June shipment at Gulf ports is about $2.34, or the lowest premium over July that we have experienced thus far, and not too much of a premium over the price being paid for shipment during the month of July. There are naturally some offsets to the hedging, with millers taking on supplies, and likewise some of the wheat being brought to country stations is not being sold, with our own reports indicating that farmers are storing about half the grain they are hauling in to the elevators. However, some of this may not be permanently impounded, and is apt to come on the market a little later on.

We continue to feel that the European demand will be tremendous, although with the largest wheat crop in the history of the country, it may take time before this is fully realized. Broomhall tells us that the Argentine government is asking the equivalent of $5.20 per bu for wheat, and in some cases the price was even higher. The quantities being offered from Australia are not sufficiently large to be of a competitive nature, while most of the clearances from Canada are apparently destined to Britain. Some time back one of the leading newspapers in the Argentine stated that port conditions in that country were going from bad to worse, and that there had been little improvement in inland transport, despite the assertion that 15,000 government trucks would be available to move the crops this season. Therefore, the present outlook must be regarded as serious, particularly since President Peron had admitted that not more than half the corn export surplus would be shipped. As we have stated previously, Argentina is doing a very poor job and will probably have 34 million bu more wheat on hand by end of July than a year ago --probably in the neighborhood of 90 million bu. If internal conditions could be adjusted they would really be a much more important factor in taking care of European deficiencies. Foreign news is somewhat more optimistic, and in the United Kingdom there has been improvement following the satisfactory rains. A poor crop in France is confirmed due to smaller acreage, although about 2 million acres were re-sown to spring wheat. The National Grain Company in Canada gives a very optimistic report stating that prospects for an average crop are excellent and moisture conditions remain good. During the past week Manitoba had from 1/4 to 1 1/2 inches of rain, while in Saskatchewan showers were general, running up to 3 1/2 inches. Alberta experienced heavy scattered moisture, ranging from 1/2 to 3 1/2 inches.

When the visible supply of wheat was posted, there was a decrease of 1,344,000 bu, leaving total stocks in all positions only about 13 million bu, which is 20 million bu less than we had a year ago. We figure, however, from now on, increases will be the order of the day. Chicago wheat stocks are down to 272,000 bu, but should likewise increase gradually. Oats and corn both decreasedto the extent of 267,000 bu and 665,000 bu respectively.

Hedging pressure was the main influence, and weakness in wheat finally had some little effect on coarse grains, although the latter were reasonably firm, with apparently more showers expected over the corn belt by tomorrow night.

Since the CCC started its buying program Southwest, they have purchased a total of 3,557,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 10, 1947

Since free futures markets have been reestablished following the scrapping of OPA ceilings, and even before that time, small stocks at terminals had created an unbalanced condition. With the coming of this harvest, while we still have a premium of cash wheat over futures, the movement of new crop will bring with it hedges on wheat that will be in deliverable positions. The boxcar situation, which has plagued the trade for several years is better, although cars are not entirely plentiful. We start with a very small stock of wheat in Chicago, which now is only about 1/4 million bu, but customarily in July Chicago receives about 6 1/2 million bu, and the movement continues well into August. Some of the recent years are not very good comparisons because of outside influences, such as last year the government had supplied a lot of corn to processors and they returned wheat which to a great extent was taken from our Chicago receipts and shipped for export. Other years large distilling demands drew our wheat South in competition with the mills and futures markets.

The present Illinois crop promises to be about 24 million bu, which would be 4 million bu more than last year, and equal to or exceeding any year since 1941. Prior to that the Illinois wheat acreages were larger but they have since gone into other grains, including soybeans. We have listed the Chicago receipts of wheat for the past ten years for both July and August, and the size of the Illinois crops for each year. We would suppose that if there is not too serious a car situation, we would again have a large movement to Chicago this summer commensurate with the size of our crop.

CHICAGO WHEAT RECEIPTS (Thousand Bushels)

	JULY	AUGUST	ILLINOIS CROP
1946	6;589	4;366	19;553
1945	6;481	4;528	24;817
1944	4;930	1;346	24;340
1943	6;573	9;068	17;006
1942	3;565	2;133	12;837
1941	8;245	2;019	34;320
1940	13;591	4;485	39;285
1939	17;006	2;476	41;155
1938	15;825	10;816	41;274
1937	14,781	5,342	45,668

There were some good overnight rains reported in our North western states, and also in Canada. These following other precipitation during the past week create a much more satisfactory outlook in the spring wheat area. Unfortunately, it is expected that these rains will extend into the northern areas of the corn belt. They are already present in Iowa, and probably will work eastward. It is so late for planting of corn that any further delays bring grave concern. The last several million acres of corn would swing the balance for the size of our crop, and even though all that is planned might finally go into the ground, apprehension will be felt during the growing season.

After the close today the government will give a report of both winter and spring wheat, also oats, barley, and rye. The spring wheat and oats will be based on farmers' intention to plant as recorded last March. While undoubtedly it will be an accurate summary of the spring wheat outlook unless special provision is made for a correction of the oat acreage, the report would not carr y its usual value.

Harvest in the Southwest continues at a rapidly expanding rat with farmers marketing heavily. Our own experience tends to the lief that farmers are selling about half of the grain which they br to the elevators. The CCC continues to buy, and yesterday, despite their reduction in price, purchased about 2 3/4 million bu bringin aggregate to over 6 million bu since their program started k ago.

Some authorities in close touch with conditions point e only support mandate for this year's crop is the 90% loan requi ments, and that there is no full parity mandate in effect on the new crop. The Department of Agriculture is thought to be considering support through the CCC buying, but it may be that they will allow price to decline to the loan level, or possibly slightly above that rate. Meanwhile, because the loan rate cannot be announced as it is based on a later parity farmers are permitted to make an interim loan at 90% of the May 15th parity minus 2¢ per bu.

Primary receipts were 1,396,000 bu, about the same as a week ago, but compare with 1,900,000 bu last year when harvest was earlier. Kansas City and Minneapolis stocks so far this week show a decrease of 89,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 11, 1947

The government report on wheat, which was issued after the close of the market yesterday, showed tremendous gains for most of our heavy producing States. This can best be illustrated by pointing out that total yields for Kansas, Texas, Oklahoma, and Nebraska promise a production of 638 million bu, which is practically as much as the entire winter wheat crop in normal years. Wherever wheat is discussed in today's hungry world, eyes are focused toward the four important surplus countries, which in addition to our own include Canada, Australia, and the Argentine. In order to realize how fabulous the yields in this country are, we must appreciate that an average crop in Canada is about 370 million bu, an average crop in Australia about 150 million bu, while the Argentine seldom produces much more than 250 million bu, and the average pre-war figure was actually lower. Thus four of our southwestern States have raised nearly as much wheat as all three foreign countries just referred to. Looking at it in another way, the ten-year average spring wheat production in this country amounted to only 236 million bu. So if we consider a total winter wheat crop in the light of present figures, with 1,093 million bu in prospect, one must be prepared for tremendous hedging pressure which is bound to follow. Never before in history have we attained such a record, and average winter wheat yields during the ten years, 1936-45, were only 654 million bu, while last year's bumper crop was 874 million bu.

This, of course, had its effect marketwise, and prices were lower when our market opened, although the trade had been somewhat prepared for these bearish statistics, owing to the fact that most of the private estimates had been highly favorable and we have had very few complaints from any of the growing areas. There was an offset, however, in that the planting of corn has been greatly retarded due to wet weather, and everyone has known for some time that the corn crop was getting off to a slow start. Lack of sunshine, particularly in all States east of the Mississippi river and north of the Ohio, coupled with dry weather in the southeast, were the chief causes for complaint. As a result there is still a large acreage to be planted, although the government points out that with power equipment now available, the remaining acreage could be sown in a few days if weather clears. Possibly 20 to 25% of the acreage for the country was still unplanted on June 1st. Today's map showed quite a reversal from the one posted yesterday, and it is suggested that not too much moisture might occur over the corn belt, although parts of the Southwest will probably be visited by showers or heavy rains by tomorrow night.

Higher prices for coarse grains caused some hesitancy in pressing the short side of wheat, although the indicated total production, including a spring wheat crop of 317 million bu, should give us a total yield of 1,409 million bu, which is 254 million bu larger than last year's record. When the carryover of 75 million bu is added, we find that our total supply is second only to the largest quantity of total wheat on hand since records have been kept.

Primary receipts of wheat amounted to 486,000 bu compared with 463,000 bu last week and 2,590,000 bu last year. It apparently is taking some time for the wheat to get to terminals, but within two weeks the whole picture should change. Kansas City and Minneapolis stocks so far this week show a total decrease of 139,000 bu.

Wheat was not strong at any time, although influenced occasionally by the firmness in corn. In corn it was not only weather which the trade was watching, but also the great strength in premiums; #2 yellow corn sold at $2.15 at Chicago, which at the time was 24 1/2¢ over the July. It will be rather interesting to see how the readjustment will come between cash and futures. The flour demand is mostly for spot shipment, and buyers seem reluctant to purchase ahead for 90 to 120 days, possibly inverse carrying charge being the reason. PMA has not yet announced its July flour buying price, but this may come shortly.

Electrical storms and hot winds were reported over parts of western and northwestern Kansas; however, most people regard the prospects for that State as so tremendous that they still feel that the government estimate of 277 million bu will be maintained. Final wheat prices were weak, and there seems to be only moderate support. Oats also closed weak on moderate selling.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 12, 1947.

The crop report which was issued two days ago may have spent its force, at least for the time being. Still we cannot overlook the fact that the combined winter and spring wheat production totals 1,410 million bu compared with 890 million bu, the ten-year average. While we admit that exports for the past two or three years have been running much heavier than previously, we also cannot forget that the first pressure exerted on a crop of this size will be tremendous, and thus far the surface has hardly been scratched. Even granting that our domestic consumption will be 800 million bu, and that we finally ship 400 million bu to foreign claimants, it would still leave us one year hence with a materially larger carryover than the present one, if we also take into account the 75 million bu that is on hand from last year's crop. Of course, in these calculations we are figuring on an average corn crop, and it is probably not safe to come to such a conclusion yet for the reason that the weather continues bad, and there is no assurance that the full acreage can be planted. Probably some progress has been made in the sowing of corn during the past few days, but there was some scattered and heavy rain in Iowa last night, which seems to be moving eastward. The forecasts for Illinois and Indiana are not at all pleasant, so that with the season becoming very late now, there are more doubts expressed even if the corn is sown whether it will mature before a fall frost sets in.

This was the reason for considerable strength in the yellow cereal this morning, new crop futures probably being stronger than the nearby deliveries. Washington had granted additional allocations for about 3 1/2 million bu grain to be shipped during July. This included only about 1/2 million bu wheat, but also some oats and some corn, which may have had a slightly bullish effect. In addition to this news temperatures over the wheat belt had fallen to unseasonal lows, and while we do not hear of any definite forecasts of frost, it will probably get down to 44 degrees in the Texas Panhandle tonight, and even colder in some parts of Nebraska. These weather reports inspired some covering, despite the fact that CCC had further lowered its ideas on purchases by about 1¢ per bu.

Australia has recently received beneficial rains in most of New South Wales, where previously it had been too dry for plowing and seeding. The present goal is for 15 million acres in wheat this year, and as Broomhall points out it will be interesting to see whether farmers plant this much. Their price guarantee is only about 84¢ a bu, and possibly from that point of view not so very encouraging. It is still disappointing to see that the movement of grain out of Argentina is so small, but undoubtedly internal conditions and bad transportation are responsible for this. It is claimed that very wet weather during April damaged small grains, but since that time it has been clear. With winter approaching, there is sure to be more moisture and possibly further damage to some of the grain which has not yet found storage space. Even bags in that country are scarce and farmers seem to be unable to get all of their grain under cover.

Primary receipts of wheat were a little larger, and amounted to 707,000 bu, compared with 839,000 bu last week, and 2,091,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 245,000 bu.

As we mentioned earlier coarse grains were quite strong at the start, and this, together with other factors, influenced wheat, but it seems that the storms which have occurred in the Southwest and over Iowa are moving eastward pretty rapidly, and while they will undoubtedly bring rain to the Central States tonight and tomorrow some map readers are of the opinion that this may be followed by a period of clearing weather. This induced liquidation in corn, with the result that final prices reacted quite considerably from the early highs. This weakness quickly spread to wheat where some hedging pressure is already coming into the market on a bigger scale. Early gains were wiped out, and the close was at the low point of the day.

CCC wheat purchases yesterday were 2,660,000 bu, and their total purchases since the program started are about 12 1/2 million bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

June 13, 1947

The late break in the market yesterday was occasioned by selling on the belief that following the present unsettled weather condition, there might be relief, and, of course, corn has been very largely a weather affair. Had it not been for the excessive rains that we have had, possibly the price now would be 25 to 50¢ per bu lower, and nobody could tell a month ago that we would have day after day of moisture in some part of the belt. Even now it is difficult to come to any conclusions after reading the map and looking at the five-day forecast. There were probably a dozen weather reporting stations in Iowa that had received 2 to 5 inches of rain overnight, and a torrential drenching of this kind further delays field work, although we are of the opinion that most of the corn in that state is already in the ground, although, of course, some will have to be re-planted where the seed has been washed away. There was also moisture in eastern Nebraska and northeastern Kansas, with some scattered moisture in Missouri, but the indications are that it will clear by tonight, and we shall probably have some improvement tomorrow and Sunday, but after that there are indications that further precipitation may occur, but temperatures will undoubtedly be higher.

Under the circumstances sentiment was rather mixed this morning, and while first prices were higher there was quite a sharp reaction, probably with some belated liquidation by those who feared that due to the price greater caution was now necessary. Others pointed out that corn at the seaboard ranged higher in value than wheat, and that, therefore, shipments abroad would be retarded from this time on. We find it difficult to become very bearish on this argument for the reason that the price is generally made by the amount of corn that leaves the farm. At present, this is clearly demonstrated by the tremendous premiums of the cash corn over futures due to the fact that there have been no accumulations anywhere. As a matter of fact there is very little corn between the farm and the terminal elevator, as most of the country stations have shipped out the corn that they previously had on hand; therefore, it will require hauling by farmers to relieve the situation. As for next year, nobody can tell yet what that condition will bring forth until we get closer to the growing period and can tell more accurately the size of the sown acreage. Even then traders will continue nervous because with so much of the corn planted late, it will undoubtedly depend upon fall frosts as to whether or not the corn ripens in time to give us a merchantable stock for commercial purposes.

In the meantime conditions surrounding the wheat market are less vague because the crop is starting to move in more areas, and probably within a week cutting in the Texas Panhandle will be a factor. The five-day weather outlook is not too good for the Southwest, as some rains are also indicated for that territory, although they may not necessarily be heavy, according to the way the bureau has worded its release. In any case one must still admit that the unsettled weather conditions still prevail. Canada has likewise had good, soaking rains over the greater part of the Prairie Provinces during the past week. Temperatures have been on the cool side, and as a result growth has been rather slow, although at present the wheat crop averages from 2 to 9 inches high. General crop conditions are reported as good, but higher temperatures are now desirable. As we review the foreign crop comments which come to us, we continue to feel that European import requirements will be heavy during the season ahead. Moisture is still urgently needed in Germany due to small subsoil reserves built up during the winter, while in Denmark it is officially reported that 60% of the wheat crop and 19% of the rye crop was destroyed by the winter frosts. Italy is in a very serious position, and this year's harvests may be below requirements, so that it may be necessary to buy abroad anywhere from 2 to 3 million tons of grain. Russian crops are greatly helped due to recent rains.

Primary receipts of wheat were a little heavier but still only half as large as last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 307,000 bu. When the visible is posted Monday it will compare with last year's increase of 3,693,000 bu.

Markets were nervous, but at least there was a little more resistance on bulges, and in wheat hedging pressure seems to be increasing right along. Yesterday's wheat purchases by CCC amounted to only 355,000 bu. Chances are that PMA will probably not announce its flour buying price for July until Monday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 16, 1947

Over the week-end weather was very settled, with no large areas reporting rainfall. Canada had some showers, which, of course, is beneficial, but in our Southwest where harvest operations continue, weather remained clear. At midnight the contract with American seamen expired and a strike is threatened. Meanwhile, the men are not working, and ships are tied up along the Atlantic, Gulf, and Pacific coasts. The Association of American Railroads believes that within forty-eight hours an embargo may be placed against goods destined for loading on this type of ship. If the strike materializes it will come at a most inopportune time for the handling of grain. Not only is Europe anxiously awaiting immediate shipment of cargoes from this country, but it will back up the movement of wheat within the interior of the United States. Much wheat that would move for export from Gulf ports cannot be adequately housed in our country and terminal elevators, as whenever we have good crops outlets through export ports are very necessary.

Broomhall states that there have been some further rains in Europe, which will help the crops but because of small acreages, lack of fertilizers, and improper seed, in some cases, no great change can be expected, although he does think that upward revisions might be made in some of the recent estimates. In any event, he sums it up as no reductions being looked for in the demand for American grains, because non-European countries, particularly India, would take anything that might be released by European countries. Within recent days the Italian goverment has announced sharply increased prices for their new crop wheat, which will range from $4.90 to $5.63 equivalent in American money per bu against around $3.00 last year. They will pay premiums of 61¢ for Durum wheat, and 36 3/4¢ per bu for delivery by July 15th. The old wheat had been selling in black market circles at prices ranging between $12 and $20 per bu. Frequently during this past season mention has been made that in some countries, such as Italy and France in particular, wheat had been fed to livestock, while farmers had marketed feed grains through black market channels, evidently finding it easier to cover up trades in this type of grain than in wheat, which, of course, would have to go to mills. It certainly is to be hoped that this move on part of Italy will conserve their home supplies to some extent, although their crop promises to be very small, even though recent estimates of 184 to 192 million bu may be later revised upwards.

Because of the change in weather conditions more optimism is expressed over the corn situation. It is quite late in the season for planting, but farm operations continue, and if weather stays clear, a rapid conclusion to corn planting should be witnessed. A delayed frost in the fall could still bring the late plantings through to maturity, and the acreage intended for oats that was not planted may be divided between corn and soybean plantings. The official Illinois report on oats states that one-third of the acreage looks good; only fair on the other third, and numerous wet and off-color parts of fields scattered over the balance.

It seems that the high price of corn on Saturday brought about some fair country selling, which was included in the total of 260,000 bu reported today, but shippers did not sell today when our futures market declined. When they can pay the farmer $2.00 per bu, there seems to be a fair amount of corn available. The cash basis remained strong today, and although off from Saturday's top of 27¢ over, there were ready buyers of spot corn at around 25 1/2¢ over.

Apparently the CCC have a good stock of wheat at the moment for immediate shipping requirements, and after having bought 1,875,000 bu Saturday to bring their total to 15 million bu, were today on the sideline, said to be for re-examining prices. It is expected that the government will shortly announce their buying conditions and prices for July shipment flour, but without the activity of their agency flour transactions remain small.

The visible supply decreased 122,000 bu, and new wheat has not yet appeared in terminals in sufficient quantity to change the downward trend in stocks. Within a couple of weeks, however, terminals will be receiving large quantities of new crop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 17, 1947.

At one time yesterday markets became very weak, and while this is all a matter of history now, there were a few things demonstrated by the decline which we believe are worthy of attention. First of all, there was considerable support in the May wheat, further indicating that when the price got close to the expected loan, there was much better speculative support. We have felt right along that this would be the case, but having been demonstrated yesterday, it gives some assurance that, despite the tremendous crops, we may not go far below tentative support levels. We do not mean to say that if the maritime strike should extend for a prolonged period, temporarily prices could not go under the loan levels. But if this should happen, chances are it would be only temporary. Furthermore, the weakness may have brought about other government measures, and for the first time CCC was actively interested in buying wheat for shipment as far ahead as July 31st, although they were limiting grain purchases to the gulf, and were only accepting warehouse receipts that could be delivered by end of July. The price, however, of $2.22 was rather high in comparison with Chicago July wheat, and suggests a rather anxious and progressive buying policy, which is likely to fill up gulf space within a short time. This would be especially true if the maritime strike continued for several weeks, during which period outgoing cargoes would not be able to relieve congestion.

There was other news also that was construed rather optimistically: namely, the August allocations, which totaled about 53 million bu of all grain. This was a reduction from the 58 1/2 million for July, and while permits on corn were cut in half to 6 1/2 million bu, still it is a rather large figure when we consider that there is so little corncoming from the farms. The August allocations included 22 1/4 million bu wheat and 18 3/4 million bu flour in wheat equivalent, While this in itself is a very healthy quantity, it need not necessarily be so bullish at the start of the season when supplies are moving quickly from the farms. However, it brings to mind that if these exports are continued at this pace for a number of months, finally we shall have a depletion of stocks very much the same as occurred this season, although possibly with all the warnings from former President Hoover and others, we may still allow for a larger reserve to be maintained one year hence. We do not know exactly what is comprised in the 5 1/4 million bu allocation of other grains, although probably it will be largely oats, and this likewise could be a market factor with the crop late and the total supply much smaller than last year.

The weather, which yesterday had been so pleasant, turned rather suddenly, and a number of showers were reported downstate, with the forecasters looking for more precipitation in the central states during the next twenty-four hours, although our own expert is of the opinion that the rains may be light. Despite the excessive rains that have occurred, it was rather interesting to the writer, in traveling over 250 miles yesterday through some of the best corn territory of Illinois, to see comparatively few puddles of water, and as a matter of fact there was actually dust blowing over many fields, and almost everywhere farmers were busy either replanting, cultivating, or plowing, which was quite different from what might have been expected in simply reading the daily weather reports.

The primary movement of wheat is increasing a little, and amounted to 1,049,000 bu compared with 1,396,000 bu last week and 2,100,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 94,000 bu.

In addition to the other announcements that came overnight, we also had a government policy on loan price, and again they did not wait until the June parity was published. The National average on the farm is $1.80 per bu, while terminal market loans are $2.05 Chicago and St. Louis, $2.02 Minneapolis, and $2 at Kansas City. Gulf loans which are seldom used to any great extent, amount to $2.08, and the loan at Portland is $1.95 per bu. In view of all these factors wheat prices were very firm, but rather late in the day the Associated Press announced that an embargo on the handling of freight consigned to foreign ports in American ships might be put into effect this afternoon because of the CIO seamen stoppage, which has tied up hundreds of vessels. The strike comes at a very bad time, with grain accumulating and in position for export movement, and this is something that must be very carefully watched, as severe congestion might easily take place unless a settlement is made within the next week or ten days.

UHLMANN GRAIN CO.

[illegible] HARRISON [illegible]

CHICAGO, June 17, 1937

At one time yesterday we had [illegible]
s all a matter of history now, [illegible]
y the decline which we believe are [illegible]
e was considerable [illegible]
when the price got close [illegible]

the case, but having been [illegible]
ce that, despite the tremendous [illegible]
ve support levels. We do not [illegible]

[illegible]

[illegible] to [illegible]
completed [illegible]
probability will [illegible]
[illegible] with the crop [illegible] the

The weather, which yesterday [illegible]
ther suddenly, and a number of showers
in the forecasters looking for [illegible]
ers during the next twenty-four hours,
the opinion that the rains [illegible]
than that have occurred, is [illegible]
veling over 250 miles yesterday [illegible]
of Illinois, to see conservatively [illegible]
ther or that there [illegible]
t everywhere [illegible]
ch, which was quite different [illegible]
ly reading the daily weather record.
[illegible] movement of wheat [illegible]
[illegible] compared with [illegible]
year. Kansas City and [illegible]
ceipts of [illegible],000 bu.
the other announcements [illegible]
policy on loan price, [illegible]
was [illegible]

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 18, 1947

The various loans this year have the new feature of purchase agreements. Although we have not seen the plan in detail, we believe that this is an addition to the regular loan terms with which the trade is familiar, but the purchase agreement, if entered into with the government between harvest-time and December 31st, is much simpler, and apparently affords the producer the full price protection. We believe these options will be acceptable as bank collateral, but unlike the loans they are not callable by the CCC. There is a sixty-day period after April 30th, during which the producers may turn their wheat over to the government, but in the case of barley, oats, and sorghums, this period runs only during the month of May, 1948. In the case of wheat, those who deliver their grain will be paid the 7¢ farm storage carrying charge, the same as under the regular farm loans, but this is not a feature of other grains. The quality of wheat under the purchase plan is the same as eligible wheat under the loan, which is wheat grading No. 3 or better, or No. 4 or No. 5, because of test weight only. While this procedure is much simpler for the government, some in the trade believe because no running record may be followed of wheat sold against the purchase agreements, there will be less certainty as to how much wheat might finally be turned over to the government. In order to continue to get a steady flow into export channels, the CCC will have to maintain prices at a level that will not cause the loan to compete and thus tie up amounts necessary for foreign shipment.

The maritime strike has brought an embargo on freight destined to ports along the Atlantic, Gulf, and Pacific. Meanwhile, grain in bulk has escaped the embargo, although, as heretofore, it requires permits issued by the railroads. Some grain, of course, is shipped in foreign vessels, but the larger share has moved under the American Flag. Grain elevators at ports have some space; so at the present time it apparently is not deemed necessary to place further restrictions on export bulk grain. Knowledge of this apparently was accountable for the firmer opening in our markets today; also, the fact that PMA announced the July flour price at equal to about 10¢ a bu less on wheat than the June flour price. The price is for 72% extraction, and it is understood that the Department of Agriculture is working on specifications for 80% extraction flour, which they hope to get out sometime this week.

The situation in corn remains about unchanged, with a keen demand for corn that is shipped from the country. The recently announced allocations have brought some resumption in export sales, with both England and Belgium reported to have made purchases overnight. Conditions in Iowa, which, of course, is the largest producing State, where they are believed to be better than some of the more eastern areas, but are now reported as rather gloomy in the State weekly report. Heavy rains, flood waters, and cool weather have further reduced their prospective 1947 crop. They state there is now little hope that most of the rich bottom land in the southern half of the State can produce a corn crop, and a considerable acreage of low land, with flooded areas, will probably be abandoned for this season. 97% of the intended acreage was planted by June 14th but about 7% of this has been damaged to a point where replanting or diversion to some other crop is desirable. Some farmers are planning to leave corn where the stands average 60 to 70%. Fortunately, conditions are best in the heavy producing areas of the northwest, north central, and west central part of the State. Weather during the next two weeks will be very important. A warm, dry period would enable farmers to clean up fields and push development to a point where plant growth would not be seriously delayed. However, cool, rainy weather would mean a relatively small crop of poor quality.

The CCC bought only 250,000 bu wheat at the Gulf yesterday and today raised their price 3¢ per bu to $2.25 for all July delivery of warehouse receipts, but they did not leave this as an open bid but confined it to immediate acceptance.

Cash corn was higher but the premium basis declined a cent or so relative to the July future, as buyers were watching the flat price more closely, inasmuch as at some point or other cash and futures will have to meet. Belgium and England both bought corn on export allocations which added to the bullish feeling. Oats conditions are similar to corn, with a doubtful crop outlook and strong cash premiums.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 19, 1947.

Washington seems greatly impressed with its obligations of continuing the large exports for another year. Strikes and demonstrations in Germany have called attention to a situation which possibly had been allowed to deteriorate too far, and even to a point at which bread rations had either not been met or had been reduced below normal subsistence levels. It is perfectly true that in some cases the German farmers were to blame for holding back supplies, and great efforts were immediately taken to collect more grain; but this has met with only partial success. It seems that the main relief had to come from the United States. In one single week just recently the Commodity Credit Corporation was presumed to have bought in the open market about 5 1/2 million bu wheat for shipment to Germany, which was over and above previous allocations. The situation is likewise bad in France, and they have had an immediate supply problem; recently the daily bread ration was reduced from 300 grams to 250 grams, and in some localities even to 200. Having in mind the German crisis, the French authorities have done everything possible to better their lot, hoping to get deliveries from the United States. In regard to France, we had felt for some time that government policies were to blame, and that the farmer was not sufficiently well paid, and that as a result wheat was fed to animals instead of going into normal consumptive channels. This has been partially corrected, and at present producers are receiving an additional 75 francs per 220 lbs in order to stimulate the farm movement. But the difficulty is that the incentive is still not great enough, and it is felt that farmers will probably prefer to feed wheat to livestock and in turn to sell any surplus barley and oats at the high black market price. In Britain conditions are not quite so serious, although strikes everywhere are low, and the regular distribution of flour and bread is dependent on a large and uninterrupted flow of wheat from Canada, the United States, and the Argentine.

In two weeks another crop-year will draw to a close. World shipments during this period have probably amounted to 725 million bu. The United States is the only country enjoying free, open, and competitive markets, and despite much criticism we probably have furnished more than half the grain that the hungry men and women of the world have needed. It is a wonderful showing, but it also brings to mind that if anything should happen to our corn crop we shall probably be called upon to export even larger quantities of wheat next season than we have shipped in the crop-year now drawing to a close. Weather over the corn belt was far from satisfactory, and while it is possibly too early to become alarmed over the ultimate outcome, it is safe to say that we can no longer expect a bumper crop. How much replanting will be possible, and how much has been drowned out in the flooded section, is likewise a matter of conjecture, and it may take another month yet before these factors are definitely established. However, with an oat crop smaller than last year, we may conclude even now that the largest wheat crop in the history of the country will probably be needed, and it can only be hoped that we shall not permit our reserve stocks to be depleted to a point smaller than three months' consumption, for the reason that there is no assurance yet that next year's production will again assume the proportions of the present high yields

The present corn-hog ratio is 10.5, a slight reduction from last week, and not much change from a year ago. There may possibly be smaller feeding requirements, which would save corn and oats, and also it must be remembered that reserves are larger than last year, but despite these factors, there is hardly enough cash grain moving to keep up with current demands, and exporters are finding it particularly difficult to get enough corn to satisfy their commitments.

Primary receipts of wheat are still not large, and they amounted to only 749,000 bu compared with 707,000 bu last week, and 2,283,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 86,000 bu.

All markets were strong, although corn assumed leadership, and with the combination of bad weather, which affected the new-crop positions, and the high premiums being paid for export corn, the close was considerably higher. This naturally influenced oats, and even wheat,, although the leading cereal dragged a little at times for the reason that the advance has caused hesitancy amongst flour buyers and the export volume is still small, although we did see evidence of some hedges being taken out of the pit. PMA has apparently obtained considerable flour on the first day of its purchases for July shipment.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 20, 1947.

There was nothing very much in the overnight news, but, of course, the first thing that traders ask when they reach their offices each morning is how the weather has been in the corn belt. There were no rains in Iowa, and very few in Illinois, but unfortunately, the forecast is for some scattered showers by tomorrow, and the five-day forecast, which has since been issued is bad, as it indicates a rather unsettled condition. Nevertheless, the authorities at Washington are not at all pessimistic over the final results. They claim that prospect are as good or even better than they were in 1945, and that there is an excellent chance that this year's crop will approach or surpass the 3 billion-bu mark. These same officials with the Department of Agriculture point out that, despite floods and wet weather, the acreage is about the same as last year, although they admit that some replanting still must be accomplished in the low spots. They add that the river-bottom acreage that was flooded out is very small in comparison with the total acreage, and will, therefore, have a negligible effect upon the final harvest. Most planting throughout the corn belt is finished, and what remains still to be re-planted can be accomplished in an amazingly short time if there is a break in weather.

Coming from such a high source, this naturally attracted attention this morning, and not only was there some local selling but also offerings from the country seemed to be heavier, with the result that first prices were as much as 2 to 3¢ per bu lower than the close last night. As for wheat, it was likewise influenced sympathetically by this factor, although there had been some rains in parts of the Texas Panhandle and in Oklahoma, which will delay harvesting operations, but this is not regarded as serious. In the spring wheat areas progress seems to be made, although weather has been cool and especially so at night. We have before us the Searle report from Canada, and it likewise shows good, average conditions, both with respect to moisture and general plant development. Taking the total moisture condition, it now stands at 92% of normal compared with 94% last week, but only 85% at this time a year ago. For Alberta the total condition is now 96% of normal; for Saskatchewan 90%, and for Manitoba 89% of normal. In each instance this is better than last year, and for the two big provinces the increase is about 7 1/2%. However, they conclude by saying that taking all three provinces as a unit, more rain is still needed, and we have always found that the amount of moisture received during June is an important factor in determining final yield.

The world at this time needs big crops, and we still cannot depend much on Russia, although the crop outlook at this moment is not unfavorable. If one can believe the Russian press, very important additions have been made to the acreage, and seeding of new varieties of wheat in Siberia and other regions will, according to Broomhall, enhance the importance of territories which in the past have contributed so little to the country's food reserves. Russia has claimed on many occasions that she was prepared to accept a wide margin of manufactured goods in exchange for grain, but on the other hand we know that her main concern still is to produce a sufficiency of grain for her own large and rapidly increasing population. Thus we continue to be hesitant in our belief that exports will be much of a factor for some time to come. In Europe, Broomhall claims that weather has been much more favorable recently, and some production estimates are already being raised. In Australia, weather has likewise been better, and the full 15 million acres, if seeded to wheat, might finally mean a crop ranging from 150 to 225 million bu, if all goes well.

Primary receipts of wheat are still not heavy; they amounted to only 681,000 bu today, compared with 820,000 bu last week; and 1,347,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 138,000 bu. When the visible supply is posted on Monday it will compare with last year's increase of 201,000 bu.

Trade was of a more cautious nature today, and despite the fact that big premiums are still being paid for cash corn over July there seemed to be profit-taking, and new buyers waited for recessions as present prices are not only high, but July corn today made an historic record in going above $2.00. There was likewise some selling in wheat, and we find at the close tonight that the May delivery is only a few cents above the loan. We, therefore, figure that on further breaks there may be some support. The CCC bought 850,000 bu of wheat yesterday, which likewise removes some of the pressure which might otherwise be exerted.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 23, 1947.

Weather over the weekend was not as bad as had been anticipated. Map readers were of the opinion that an unsettled condition would prevail generally, and that we might have considerable precipitation in the Southwest, as well as over the corn belt. Some of the rains were heavy; for example, there was 3 inches at Omaha, but East of the Mississippi conditions were not so unfavorable. As a matter of fact the low barometric pressure which had been pushing eastward must have reversed itself, and there was quite a little surprise expressed by the meteorologists who had been so pessimistic on Saturday. Against this there was some nice moisture in the spring wheat territory, and coming at this time it almost assures the Northwest crop, and as a general rule good precipitation in June is a very important factor.

It seems that the CCC is now willing to take wheat in place of corn on its foreign relief program, and these trades which had been rumored on Saturday have now received official sanction, particularly since it seems so much easier for the private trade to furnish wheat in place of corn, since the latter at the moment is very tight. When we consider that about only 15% of the corn ordinarily leaves the county in which it is raised, one can readily understand that this quantity is about sufficient for commercial purposes, but if we have to take 50 to 100 million bu from that supply to ship to Europe it can easily cause congestion; in fact, it has done so with respect to the past two or three delivery periods when cash corn became tight, and tenders were difficult. The announcement of this change caused a little easier feeling in the July delivery of corn, although the more distant months were influenced by the slow growth and poor progress of the crop up to the present time. Wheat futures were a little firmer early on the possibility of heavy export shipments, and the government is now talking tremendous quantities for overseas-- possibly 500 million bu or more. While everyone is sympathetic to Europe's needs we likewise have our own domestic economy to protect. If a carryover of 75 million bu is proper for Canada, then certainly we should have a larger quantity in the reserve stock here with the United States population more than ten times as great. In view of a bumper crop now being harvested, the government policy did not prove to be serious, but it certainly was a great risk to have undertaken had anything gone wrong.

When the visible supply of wheat was posted there was an increase of 304,000 bu, but yet total stocks are only about 13 1/4 million bu compared with 37 million bu last year. At Chicago there was a decrease of 47,000 bu, and we have only 164,000 bu of wheat here, which shows almost complete exhaustion. The corn visible for the country showed a decrease of 293,000 bu, which leaves total stocks less than 11 million bu, a reduction of 7 million bu from stocks on hand a year ago. Oats decreased moderately, and the entire visible is only 3.3 million bu, which is likewise very small.

The CCC was apparently willing to pay the same price for wheat at Galveston: namely, $2.25 per bu; their purchases on Saturday amounted to only 250,000 bu, although total to-date is 24 3/4 million bu, which more than covers July allocations. In some places harvesting operations are being held up, particularly Oklahoma points, where they had some heavy rain, and where it is still cloudy and damp, but we doubt very much whether any serious delay is expected. The real heavy rainfall is affecting more the corn and oat crops, and many admit now that even under the most favorable conditions from this time on we cannot expect yields to be very promising on the late seeded acreage. This caused some buying of coarse grains, although we find the trade was a little lighter than during recent sessions. We also heard the comment made that if the corn situation was so bad that the government had to substitute wheat for corn, it was a bullish rather than a bearish argument, and with a premium of 22¢ over July for #2 yellow corn, there was quite a little bullish sentiment after the first selling orders had been absorbed.

As for wheat, we find that the Kansas crop has not yet moved, and for that reason we believe it is too early to play the constructive side of the market, even granting that we shall finally have very much the same situation with respect to exports as we had a year ago. In today's market the July future was the strongest, and while there was some demand for December and May wheat early prices were just moderately higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 24, 1947.

The overnight weather was not too bad, and it seems that most of the precipitation in the form of showers occurred over parts of Indiana and Illinois. The forecast is for generally clear except probably some moisture over the spring wheat areas; this seems ideal for harvesting conditions in those areas where the wheat plant is ready for cutting. While we admit that the first movement has been pretty easily absorbed, this is quite understandable owing to the fact that our carryover being so small there naturally have been a good many holes to fill in, and of course, mills have been busy, not only for the domestic grind, but also taking care of some export orders.

When the winter wheat crop is further analyzed we find that Texas still has a good deal of wheat to harvest, as the Panhandle, which is the largest producing area, is just starting now to harvest its crop. If we can just get three or four days of clear weather with sunshine, threshing machines will spread out in all directions. Apparently farmers are pretty willing to sell their crop at present prices; should there be a break of 5 to 10¢ per bu, probably more of it would be impounded. But from the way it looks yields are much higher than expected, at least, in those sections where harvesting operations have started. Then, of course, we must consider the state of Kansas, which is the largest single wheat producing state in the Union; if they reap a crop of 277 million bu it will not only be the largest in history, but it will compare very favorably with even some of the large surplus nations of the world. For example, Argentina very seldom raises more than 250 million bu, and in the pre-war days their crop ran somewhat below that figure. In Australia, when they produce 150 to 165 million bu it is considered a pretty large yield, so that by comparison Kansas this year may raise almost twice that much. Even in Canada, which extends from the Atlantic to the Pacific, the ten-year average crop is only about 370 million bu; therefore, one can easily understand what it will mean when harvesting gets under way in Kansas, and when the wheat starts coming to market. Of course, the car situation has to be considered in all these calculations, but in view of what has just been mentioned we refrain from becoming too bullish at this period, even though we recognize that the government has set its sights high, and intends to ship about all we can safely spare under existing transportation facilities.

There is still little chance of expecting very large grain shipments from Argentina as long as present policies are pursued. President Peron of that country in explaining the export program called attention to the fact that Argentina was entering an industrial area, and while it was necessary to expand overseas trade it was likewise essential to make a profit on this business to help governmental activities. On the 1947 shipments they are hoping to benefit to the extent of 2,000 million pesos, which would be used as a basic capital for setting up factories and carrying out productive works in the international five-year plan. While the export price has been very high, farmers have not benefited because they are only getting about one quarter as much as the export price; for that reason there has been great dissatisfaction on part of producers, and in fact considerable unrest. As a result not all of the wheat and corn has been coming forward; in fact, some has been allowed to rot in fields rather than to accept a price which farmers regard as unfair. As Broomhall points out, the Argentine has missed a great opportunity. The fact that every importing country instructed by the International Food Emergency Council to buy its grain in the Argentine did so under great protest, and therefore much of the good will which might otherwise have been built up seems to have been lost.

Primary receipts of wheat amounted to 1,315,000 bu compared with 1,049,000 bu last week and nearly 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total reduction of 119,000 bu.

Trade was reasonably good at times. July corn sold at a season's high, and also made a record for all-time, but there was some profit-taking and it seems that there were only about two exporters actively interested in the cash market; therefore, on liquidating sales, there were reactions. Wheat was never strong although the July delivery gained slightly on the deferred months. However, the close was weak.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 25, 1947

There had been some showers overnight in Iowa, although nothing of a very serious nature. It seems that the weather map now is a little more settled, although some rains are expected tonight over the corn belt, but with higher temperatures the ground seems to be drying out, except in places which have been flooded. It is difficult for anyone to try to size up the crop outlook, but it can definitely be stated that with the retarded season it will take some forcing weather, and probably late frosts next fall to give us a reasonably good crop. We do not mean by this that we have given up chances completely, because very often Nature is provident, and makes up for early handicaps, particularly when the moisture question has been satisfactory, without which plant life cannot exist.

Nevertheless, in trying to appraise corn values one must face realities, and appreciate that the amount which farmers have sold in the past few years has just about been sufficient for commercial interests. The United States with a growing population has not been dependent upon exports since World War I; therefore, whenever the government plans to ship 50 to 75 million bu abroad it is bound to have a very important bearing on our home economy. Even after we recognized last year that a bumper corn crop was in prospect, we were a little bit skeptical as to how much could be spared for famine relief, having had in mind that 100 million bu, which was originally talked of as a possible figure for clearance, was rather small in comparison with the total crop, but still very large in comparison with the primary movement for the past number of years. To illustrate what we have in mind, we tabulate below the primary movement of corn to terminal markets for six years:

1941 - 225 million bu
1942 - 330 " "
1943 - 297 " "
1944 - 257 " "
1945 - 388 " "
1946 - 296 " "

Thus, with the foreign demand, we have never been able to accumulate a stock of corn, and this has been the reason for not only inverse carrying charges, but also for the sharp premium of the nearby months over the deferred. Should the same policy be continued with a more moderate-sized crop, we shall have the same difficulty next season.

As for wheat, the recent firmness has been generally in sympathy with high corn values, although of course some traders have had in mind that with a loan at Chicago of approximately $2.05 that purchases made slightly above that level would probably work out in the long run. At the same time we have to bear in mind that the important producing areas have not yet harvested their wheat, and the picture might look quite different during the next two or three weeks, as we have never had such bumper yields before. Therefore, it is probably too early to make investment purchases, although we still figure that if the government ships about all that can be spared that low prices are quite unlikely, but rather that we shall have higher markets later on. This, of course, makes May wheat look attractive should it decline much from the present level. Crop reports coming from the Northwest are quite reassuring, although warmer weather is desirable, and probably it will be had as we come closer to July. A few spots have had more moisture than needed, particularly Southwest Minnesota and the Red River Valley, but on the whole the past week was very favorable for small grains.

Primary receipts of wheat amounted to 956,000 bu compared with 673,000 bu last week, and 1,716,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 129,000 bu

During the early part of the session wheat prices were somewhat reactionary and we saw evidence of some hedges coming into the pit although there is already great congestion in the Texas Panhandle, with truckload after truckload of wheat waiting in each town to be unloaded and boxcars are already very scarce. Late in the session, there was a tremendous buying movement in corn. Shorts covered on a report from Iowa which stated that the corn crop had gone from bad to worse during the past few days and that the outlook was poor for more than half the acreage of that state. Naturally, the great strength in corn affected all other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 26, 1947

It was almost a foregone conclusion that with all the radio commentators talking about the poor outlook for the corn crop and the many headlines in newspapers that buyers would be inspired to make further purchases, and apparently the losses in Iowa will affect the entire yields of the country for the reason that this is the largest individual corn producing state in the Union. The Iowa losses due to floods and wet weather have been very heavy, estimated by some government officials, running as high as 25%. It was pointed out that this did not necessarily augur a general corn crop failure but yet it was admitted that the fate of the 1947 harvest now depended upon future weather and, of course, up to the present time, we have had very little warmth or dryness so that normal plant development could take place. In other states, the condition is not nearly so serious and, as a matter of fact, considerable progress was made in planting corn and soybeans in Indiana during the past week. Probably the same held for Illinois although, at the present time, it is undoubtedly too late to sow any more corn and whatever land remains idle will probably go into beans.

When our market opened this morning, corn prices were steady but there was no rush to buy, such as we witnessed in yesterday's market, although later on sentiment became very bullish and new high levels were again established not only for the season but also, a record mark for all-time. During all this excitement, wheat, of course, was affected sympathetically but, on the other hand, there was some hedging pressure and moreover there seems to be the general knowledge that when harvesting becomes more general over the main wheat belt that the pressure will become considerably greater as up to now we have only had wheat moving in Oklahoma and some of the early territories of Texas and the season is probably somewhat later than usual. As we have pointed out repeatedly, the yields in Kansas, Nebraska and surrounding states are so big that when the offerings from those territories start in earnest, the whole situation may change. Nevertheless, we can never lose sight of the fact that the European demands are going to be very heavy and even in the season just closing we probably could have shipped a great deal more wheat had it been available. Since August 1st, up to the present time, Canada, United States, Argentine and Australia have cleared about 638 million bu, which is a reduction of 136 million bu from the year before.

It is perfectly true that in some European countries recent weather has been favorable and possibly the results will be a little more optimistic than were earlier anticipated; for example, the Italian crop is now claimed to be 248 million bu compared with earlier figure of 185 million bu. Likewise, in France, there has been some improvement and every once in a while we get some extremely optimistic reports from Russia, but whether the latter country will be a factor in exporting her supplies is still a rather moot question. One thing, however, can be stated that with only six weeks left of the world crop year, it is feared that supplies in most importing countries will be down to the danger point although with native crops being harvested, the immediate demands will not be as heavy as the later requirements.

Primary receipts of wheat amounted to 1,231,000 bu compared with 749,000 bu last week and 1,937,000 last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 136,000 bu.

As we mentioned earlier, when corn was so strong, wheat responded but only to a limited degree and, of course, the leading cereal is very much influenced by harvesting operations and more hedges to come. We understand that in the Texas Panhandle practically all of the elevators are full of wheat and box-cars are still extremely scarce. The harvest in that territory is only about one-third completed and we were told that in Floyd County there was 1 1/2 million bu wheat piled on the ground. In spite of all this and the export demand, some people are friendly to the market because of the fact that prices are not far from the loan and they also reason that the feeding of wheat to livestock will be heavier than normal if anything should happen to the corn crop. In any case, prices for some futures were somewhat lower and even corn had some difficulty at the present high level in maintaining its advance. Cash premiums for #2 Yellow corn were weaker again, one car selling at 13¢ over July and this is quite a sharp break from the recent high.

UHLMANN GRAIN COMPANY

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

June 27, 1947

The overnight weather seemed to have shown improvement and the five-day forecast was likewise more favorable indicating a more settled condition over the corn belt. This, of course, is very important because we have had so little growing weather up to now. The nights have been cool and the season has been generally retarded. It looks very much as though we could not expect big yields even assuming that we had propitious conditions from this time forward. On the other hand, if we should get a week or two of sunshine, accompanied by warmer nights, the plant would undoubtedly catch up and with the fine moisture that we have had it is still within the realm of possibility that fairly reasonable results might be obtained. If this is the case, then it is not a complete cinch that purchases can be made with perfect safety regardless of price. Still, one has to realize that the new crop futures are selling at big discounts under both cash and under the price of July corn and if we should have only a mediocre crop, it seems quite likely that we shall have a fairly high price level in the season ahead.

As for wheat, it also seems likely that the loan will be a sustaining influence. After the close of the market tonight, parity prices will be published and some people are of the opinion that there might be a slight advance. If this is the case, the interim Loan, which was announced a few weeks ago, might also be increased although even at present levels farmers could borrow $2.05 at Chicago, which is the highest that they were ever able to obtain since the program was started in 1932. There is further talk of Russian surpluses and apparently Great Britain has offered this country some concessions on her debt in exchange for wheat, barley and other grains although no quantities are mentioned in these discussions. It seems that the late rains over most of Russia have improved the agricultural outlook considerably and while we are always a little skeptical that Russia will ship much because of her large population, one cannot overlook this possibility completely. A rather interesting slant on other foreign conditions was a dispatch that we had from Broomhall claiming that in a dinner speech, Mrs. Peron had promised Spain two cargoes of wheat, to which Franco replied that they were harvesting a satisfactory crop themselves this summer. At this juncture, Mrs. Peron asked, "Why don't you put some in your bread?" This all indicates that while the people are apparently existing in many European countries, they are still on rather low rations and we are convinced that imports will have to be continued on a tremendous scale.

When the primary receipts were posted, they amounted to 1,182,000 bu compared with 681,000 bu last week and 1,882,000 bu a year ago. So far this week Kansas City and Minneapolis stocks show a net decrease of 168,000 bu. When the visible supply is published on Monday, it will compare with last year's increase of 3,222,000 bu. There was a little greater caution displayed in today's markets, probably for the reason that higher temperatures will afford growth for corn and at least for the next few days only moderate amounts of rain are in sight. As for wheat, there is no great amount of pressure from any source, although by the middle or end of next week we expect that harvesting operations will be in full blast in many of the large wheat producing areas of Kansas. There is already great congestion with respect to cars and probably the grain cannot move from the farms or farm country points as quickly as if we had a more normal situation. However, milling demand is only fair at the moment and unless PMA operations assume greater proportions, we should gradually get accumulations at terminal points In spite of this, July wheat was relatively the strongest of the wheat futures, but the market yielded some ground in sympathy with lower prices for corn and oats. Cash premiums were likewise easier, on coarse grains.

UHLMANN GRAIN COMPANY

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 30, 1947

Weather in the Southwest was mostly favorable, and we had advices from the Texas Panhandle that it had been hot, dry, and breezy, which was just about perfect for harvesting; therefore progress was made in all directions. However, the car shortage is still felt, and about the only business that merchants can do is in the event that empties are available. There is lots of wheat being piled on the ground, and where this is taking place truckers are coming in and buying from local farmers, but getting the grain about 15¢ under the elevator price. Generally speaking the commercial value runs from $1.85 to $1.88 to the producer, in some cases there is a tendency for the grain to go into storage elsewhere, and particularly in the South Plains farmers are selling their wheat, and apparently glad, in view of the big yields, to get such a high price. Under the circumstances, we feel that storage space in Texas and Oklahoma will be at a premium even though the export demand is going to be tremendous; even now the CCC is willing to accept grain not only for July delivery at Gulf ports, but also at slight concessions for August and September. This, in our opinion, is creating some firmness, particularly for the deferred months. There seems to be a general feeling that May wheat at about $2.10 per bu is not particularly high; if we continue clearances at a big rate, and if we can finally ship anywhere from 450 to 600 million bu of all grain.

Chances are that showers will visit eastern parts of Kansas and Nebraska tonight, but apparently this is not much of a factor, and with higher temperatures everywhere local showers only interrupt harvesting operations for a short period. There was, however, some heavy rain over parts of Iowa and in northern Illinois; this likewise was not serious except in the real low places where already considerable damage has been done. Experts who travelled in Iowa forecast that this year's corn crop may be as much as 200 million bu smaller than last year's bumper crop. Iowa, of course, has been hardest hit, and the combination of floods and excessive moisture not only did damage to corn already planted, but likewise prevented full acreage from being sown. This factor, together with the threat of flood damage around the St. Louis area, gave us a higher corn market this morning, and it seems quite likely now that both corn and oats will be considerably smaller than a year ago, which means that our feed situation may require substitution of wheat--thus, possibly a larger consumption than we had last season. Furthermore, if we do not have a surplus of corn to ship to Europe the demand for other grains may also be increased; there is little bearish sentiment in wheat, despite the fact that we have raised the largest winter wheat crop in the history of the country.

Chances are that present legislation with respect to export controls will be continued, at least until July 15th, under a temporary resolution until the Congress can come to a definite conclusion on the controversial matter of handling export controls beyond that period. The CCC has already anticipated that these powers would be extended, and a considerable quantity of wheat has been purchased, all of which has been a sustaining influence for the past month or so.

The visible supply of wheat decreased 535,000 bu; this is probably the last decrease, which is fortunate, as totalstocks are down to 12.802,000 bu, which is approximately 27 1/2 million bu smaller than last year. Chicago stocks decreased slightly, leaving only 149,000 bu in this market, which shows almost complete exhaustion. The visible supply of corn decreased nearly 1 1/2 million bu; the total of 9 1/2 million bu is morethan 5 millionbu smaller than a year ago.

All markets were very strong; while it is true that for a time July wheatlagged it finally responded to the strength in the surrounding pits. Corn assumed leadership, and we understand that one of the radio commentators who spoke of the disaster in the corn crop might have had something to do with the more bullish sentiment, but in any case, it is generally recognizedthat losses have been severe. Government wheat prices were not raised atall, despite higher prices for the futures, and possibly this will mean reduced purchasestoday for the CCC, but in any case there seems to be very little pressure yet although southwestern receipts are heavy, and six interior markets had 3,619 cars of wheat against 2,123 last year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 1, 1947.

On basis of the June 15th parity, which was higher than the previous month, the government found it necessary to increase the loan to producers by about 3¢ per bu. In other words, the interim loan which had been announced a few weeks back was raised, so that the national average on the farm is now $1.83 per bu, while the loan price in Chicago is established at $2.08 a bu. This may have had a little bullish influence, although it was pretty well known for some time that this would probably happen. Nevertheless, May wheat which just recently had been selling only a few cents above that figure looked rather cheap, particularly with the enormous export program which the government has in mind for the next twelve months.

Today we are starting on the 1947-48 crop year, and from all indications clearances of wheat will be considerably larger than they were the season earlier. It was announced this morning that additional allocations of about 4 million bu had been granted to foreign claimants for shipment of wheat probably partly to take the place of corn which was previously allocated, but which at the present time is a very scarce article.

While the outlook for the corn crop seems to be a little brighter, we cannot overlook the fact that some irreparable damage has been sustained. The overnight weather was quite good, and the rains which had been forecast failed to materialize, with the forecast now indicating clear and warm. This, of course, is ideal and just what is needed. The government report for July will probably show a very low condition, but chances are that with any break, later reports may show some improvement.

In any case, there is already a bullish feeling on wheat, despite the imminence of hedging pressure, because it is generally felt that any reduction in the yields of coarse grains will not only mean heavier feeding of wheat, but likewise larger shipments abroad. In Kansas, wheat cutting has started, and we understand that a general plea for combines to assist the harvest movement has been made. One of the officials in charge of the State Office claimed that he had had requests for 1,350 machines, but that he was unable to be of much assistance. With a crop outlook for 277 million bu, something which has never happened before, it is not difficult to understand that there will be considerable difficulty in getting the crop in, particularly if there is a shortage of combines. While little is said about spring wheat conditions, the moisture both in our Northwest and in Canada seems satisfactory. According to the Searle report from Winnipeg total moisture condition for Canada stands at 95% of normal compared with only 82% a year ago. One of our friends in Minneapolis writes us that there have been some nice rains in the Northwest during the past week, and that the crop continues to improve, although in this discussion he excludes corn. Early grains in southern North Dakota are now starting to head; this is about a week later than last year, but only a few days later than average. He concludes by saying that there is still a possibility of as good a crop as they have ever had up there. Ordinarily this would all be front page news, but with the tremendous crop Southwest spring wheat reports are only casually noticed.

Primary receipts of wheat are becoming a little larger and amounted to 2,244,000 bu compared with 1,315,000 bu last week and 1,830,000 last year. Kansas City and Minneapolis stocks so far this week show a total increase of 22,000 bu.

Markets were generally higher and in wheat sentiment was a little more friendly owing to the fact that the government is taking this grain in preference to corn; in fact, it was reported that the CCC had bought some wheat in Kansas that was to be shipped to the eastern Seaboard for export and the total quantities might have reached a million bu. On the other hand, prices being paid by the CCC have not been raised and the flour business is not particularly good, but yet there is no particular pressure either. Final prices were considerably higher. In corn, most of the activity was in the July future and a new high on the crop was established at $2.04 per bu. However, the deferred months were not strong, and in fact the new crop futures actually closed lower than the previous day. Some people are beginning to wonder what will happen to old corn as soon as export sales are completed although for the time being there is no weakness as stocks are not accumulating anywhere.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 2, 1947

The government price support for the 1947 crop has just been established. According to law a loan must be made to farmers based on 90% of parity at the beginning of the marketing year, which was yesterday. July 1st parity was $2.03 a bu; on the same day last year the wheat price parity was $1.66. The increase since that time is a measure of the rise in prices paid by farmers for commodities used in production and farm family maintenance. We are not trying at this time to argue pro or con the parity concept for agriculture except to mention that when the method was first employed Congress held that farmers enjoyed a period of relative prosperity from 1909 to 1914, and during that era the cost of commodities which they purchased for farm living and for farm production was approximately in balance with the price that farmers received for the commodities sold from the farms. We doubt whether the framers of this program did have in mind, however, that in the final analysis that it would bring out an inflationary spiral, which might be difficult to curb. To show for example what the loan rates were on wheat at Chicago, we go back to 1938 when the first loan was established at 77¢ per bu, and since that time there have been steady advances as the following figures will show:

1938	1939	1940	1941	1942	1943	1944	1945	1946	1947
.77¢	.80¢	.81¢	$1.15	$1.32	$1.42	$1.56	$1.59	$1.70	$2.08

If anyone questions for a moment why living costs have gone up they have a simple answer right here, because this whole program is not only inflationary, but it feeds on itself, and it is difficult to tell where it may finally end. Nevertheless, one must face realities, and since the government is now prepared to make loans at the advanced limits, it is naturally going to have an influence on the farmers' attitude in selling grain. Of course, with the winter wheat crop of over 1 billion bu, the largest which has ever been raised, a good part of the wheat must come forward, because there is insufficient storage space on farms to contain it all. However, a good many producers will probably store their grain, because it is not only the loan which is a bullish factor in their calculations, but likewise the export program which has already started, and which is bound to be a tremendous factor during the entire season.

To-date CCC has purchased about 27 million bu of wheat for European famine relief. According to some of the vessel agents about 20 boats have been chartered from Chicago to Buffalo, and these apparently are going to take wheat originating in Kansas or Nebraska to the Atlantic seaboard in the hope of avoiding congestion at Gulf ports. It is somewhat more costly to handle the wheat in this fashion, but since price is not a prime factor in governmental policies it is receiving little consideration. In any event, the recent strength was based on these transactions, and the fact that the price yesterday was indicated to be about 7¢ per bu over Kansas City July, and if continued would naturally prevent accumulations at terminal markets. It might even go so far as to stimulate further competition with millers and processors whose stocks have been depleted, and who are at the present time trying to build up inventory. Today they withdrew from purchases on a Kansas City basis.

To show what an important factor the government has been, from July 1, 1946 to June 27, 1947, PMA bought 190.4 million bu of wheat. It included the 27 million bu of new crop wheat just referred to, but still it is a tremendous quantity, particularly when considering the amount of flour that was also exported during the period. Since last July 75 million bu of corn have been bought, 8 million bu of oats, 21.8 million bu of barley, 2.3 million bu of grain sorghums. All these purchases according to their statement have been made to fill export allocations. This does not include some of the business that was privately handled.

Primary receipts of wheat are still not large considering the size of the crop; they amounted to 1,576,000 bu compared with 956,000 bu last week, and 1,768,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 102,000 bu.

There was never much strength to the wheat market, even when July corn went into new high ground, but, of course, trying to play the constructive side of the market this early with most of the country elevators in the Texas Panhandle closed due to lack of cars, and with wheat piling up on the ground awaiting trucks to haul it away, it takes great courage to become too bullish. We admit, however, that government activities will cushion declines.

Coarse grains after being quite strong reacted, and of course the weather is decidedly better, and should be an influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone-Harrison 6282
141 W. Jackson Blvd.
Chicago, 4

July 3, 1947

The intention of our administration to again ship out all the available grain to needy nations promises to continue tightness in supplies throughout the crop year just started. While we have the largest wheat crop ever raised in this country, the promise of smaller oats and corn crops may result in much larger domestic disappearance of our wheat because of additional feeding. Restrictions have been removed on commercial purchases for this use--also the use for distilling and other industrial activities. During the first part of the season wheat will be in plentiful supply and the first difficulty will be in distributing the interior movement so that the grain may reach the various ports for export. The corn program promises to come to at least a temporary halt until the new crop supply may be appraised. Commodity Credit is said to have chartered several steamers for the Lake movement of wheat out of Chicago to Buffalo during July with an increased number for later shipment during August. This will tend to relieve some of the congestion in the northern areas of the winter wheat belt, with shipments originating in Kansas and Nebraska. Later, if the spring wheat crop materializes in the big outturn now expected, it seems likely that that movement would tax the facilities via the Lakes to seaboard route.

Many of the crop estimates for European countries are smaller than last year, but larger than 1945. Such countries as France, Belgium and England, who are large consumers, lost considerable acreage during the winter and reduction in their production is inevitable, but the Danube Basin had some timely rains and is expected to be up to prewar crop levels. Because of the exhaustion of old crop supplies, there is doubt if that area will have any quantity for export. However, generally their corn crop is getting off to a better start, which makes a more hopeful outlook than last year when they had a severe drought and were importers against their traditionally export status. Secretary Anderson will shortly attend a meeting in Paris to devise means of securing better distribution of the Occupied Zones' food, particularly in connection with the releasing of farmers' grain and also in the distribution of imported supplies. Russia has a good crop and although not to be counted on as an exporter, should not be counted out as a possible one. Britain is negotiating with them for the shipment of grains against previously established credits and recent advices indicate that they expect to secure liberal quantities during the year. The British contract calls for 160 million bushels of wheat from Canada during 1947-48, and undoubtedly this is all they can figure on because during the remainder of this season it will be nip and tuck for Canada to complete the commitment extending up to July 31st. Any contribution from Russia to the United Kingdom will directly relieve the burden on the United States, especially as dollar exchange is quite a consideration on any purchases that England has to make.

Weather in the corn belt has been most satisfactory the past few days and even during last week the several State reports noted improvement in the outlook with cultivation making good headway except in the very wet spots although there is still a considerable amount to be done. The tight situation in cash corn continues although fresh sales for export positions have diminished and the CCC has been out of the market now for some time. There are beliefs that they may stay out permanently or at least until the supply situation clarifies. Sales of corn from the country still are small but arrivals partly from previous bookings are moderate and if the present rate should continue and export needs be reduced domestic buyers no doubt would find it much easier to get their requirements. On July 10th, the government will issue their regular crop report which will give the acreage and estimated production of corn. Also, this report will include the first actual figures on oat sowings. Meanwhile, later this week, it is expected that a general private report will be made on covering these items and this will be the first nationwide check of such conditions.

Southwest wheat receipts are running in excess of a like date a year ago and, of course, would be considerably heavier if more cars were obtainable. There is widespread congestion at country elevators with many of them blocked and wheat being piled on the ground.

Primary wheat receipts today were 2 million bu against 1 1/4 million bu a week ago with no comparison against last year on account of the holiday. Stocks at Minneapolis and Kansas City show 170,000 bu increase so far this week. It is somewhat difficult to estimate but we might get the first increase in the visible of the season which would compare with last year's increase of 3,206,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone Harrison 6282
141 W. Jackson Blvd.
Chicago, 4 July 7, 1947

It seems to be developing that the European wheat crop will be substantially below last year. The Bureau of Agricultural Economics thinks that the various countries may produce 10% or more under 1946. At that time, production was estimated at 1,350 million bushels. This is a very poor crop and not much above the extremely small outturn of two years ago when it was slightly over 1 billion bushels. Prewar average production was 1,670 million bushels.

During the past season the United States shipped 18,433,000 long tons of food to various countries throughout the world, of which 4/5ths was cereals, including rice, and also included 10,520,000 tons of wheat and flour in terms of wheat equivalent. We furnished the United States and United Kingdom Occupied Zones in Europe with 3,481,000 tons of food and it seems to be planned, according to recent statements of Secretary Anderson, that we will again ship this quantity or possibly slightly more during the season just commencing. Despite this large contribution from our country, the diet will be very inferior, as our food is expected to maintain a daily ration of only 1,550 calories, or about one-half the average rate in our own country.

Here at home, with our record or near-record consumer incomes, we continue to enjoy a heavy meat diet, with the consumption of meat per person about in line with the 1946 level of 153 pounds per person. That compared with prewar years 1937-41 of 134 pounds. To continue such a diet, it will draw heavily on the supplies of feeding grains. The poor outlook for corn and smaller oat crops would not provide for feeding on the scale that we have been accustomed to since the close of the war. Exports of meat in the past season have dropped to less than one-half the previous year, with shipment of 224,000 tons and only 83,000 tons of this were exported in the past six months.

The only general private crop report that is currently issued was given to the Trade on Saturday, tentatively estimating the plantings of corn at 7% less than 1946, with the small total of 82,522,000 acres. The condition was 71% of normal, or 16% lower than a year ago and these tentative estimates would result in a production of 2,682 million bushels. This would be 600 million less than last year, but would, however, compare with the ten year (1935-44) average of 2,608 million bushels. During the current season it is expected that we might increase our carry-over of corn on October 1st to 350 million bushels, which would be about double the previous year. Even with this amount of corn, with this small estimated crop we would necessarily have to reduce our livestock feeding in this country, especially as the oat supply will be considerably reduced from last year.

Harvest is on in earnest in Kansas and receipts at interior markets are very large. The six markets -- Amarillo, Ft. Worth, Enid, Wichita Falls, Hutchinson and Salina had receipts totalling 4,841 cars today, following over 5,000 cars in these same markets on Saturday, which was also a double day on account of the holiday. The receipts for Monday, a year ago today, were 1,567, thus regardless of the car supply, it is a fact that the railroads are moving a tremendous amount of grain. Government continues to bid for wheat and in addition to Gulf purchases, they will buy it in Kansas City, both in store and FOB cars with billing that will carry it to Chicago. Wheat is expected to be shipped this way for export via the Great Lakes.

The tightness in corn continued with shorts apparently covering freely, as they did on Saturday when the open interest in all futures declined 2½ million bushels with more than half of this in the July. There is, however, still over 12½ million bushels of this month to be evened up by pit trading or delivery including the last seven days of the month. The basis was somewhat easier but buyers bid higher prices, as it appears there are still contracts to fill within a given time. Some of the processors limited their bids to a flat price and for that reason bought but little on the advancing market.

Baldwin Elevator Company notes some improvement in Illinois oats crop but admits that it would be a guess as to the outcome, because so much of the acreage was seeded late.

Primary receipts of wheat were very large today, totaling 6 million bu against 2 3/4 million last week, and 4 3/4 million bu last year. We had the first increase in the visible supply today when nearly 2 million were added to the stocks, but the total isstill less than 15 million against 43 million bu at this time a year ago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone Harrison 6282
141 W. Jackson Blvd.
Chicago, 4 July 8, 1947

In view of the reduced prospects for the 1947 corn crop and the relatively favorable supply of wheat, the USDA announced yesterday the cancellation of approximately 6 3/4 million bu corn which had previously been allocated for export for July and August. This is to be replaced with wheat, barley, and grain sorghums, of which wheat will account for about 3 1/2 million bu and grain sorghums around 2 million bu. This brings total corn allocations cancelled since May 23rd to about 8 1/2 million bu, and the Department estimates that of the remaining July-August allotments all but about 45,000 long tons have already been procured by claimants.

Overnight weather in the corn belt was favorable, and while some temperatures were still on the cool side, warmer weather is now predicted. While all possibilities of a bumper crop have been eliminated, the final outturn of corn will depend on weather between now and harvest. Meanwhile corn is presenting its problems in other countries. The Argentine has commitments for shipments abroad but there apparently is a great unwillingness on part of farmers to ship corn at the prevailing government price, which is considerably lower than the price which the Argentine government is asking from importing nations. In fact, it is almost equivalent to a strike on part of the Argentine farmer in expressing dissatisfaction with the price he is obtaining in that country, and shipments abroad are lagging far behind actual sales.

There has been a complete shifting of scenes during the past six months as to the farm price and farm income for the last six months of 1947. Around the turn of the year, official Washington was predicting that at the end of this year farm prices would range from 15 to 20% lower, and that farm income might run from 5 to 10% below the 1946 level. This prediction was predicated partly on a reduced demand from abroad, as well as lower industrial income in this country. However, the high rate of business activity continues to sustain domestic demand for farm products, and according to official figures, agricultural exports are expected to remain high. In the first quarter of this year, the value of all agricultural exports was close to $600 million, or nine times the pre-war value, of which grain and grain products total $320 million. These figures do not include military shipments to foreign civilians. In the period 1935-39, the quarterly average of grain and grain products' exports amounted to only $24 million.

Sanford Evans reports that weather throughout the Prairie Provinces in Canada the past week has been somewhat cooler than normal, but in general, crops were progressing and prospects were high. Speaking of Europe, Broomhall reports that, due to improved weather over the past several weeks, it appears probable that the Danube Basin will have some exportable surplus of grain, and that it is almost assured that the United Kingdom would import substantial quantities of Russian grains. He further comments that weather conditions were generally favorable for European crops, although acreages are curtailed, due to the bad weather of last fall and winter.

Primary receipts of wheat today totaled 3,181,000 bu compared with 2,244,000 bu a week ago and 2,310,000 bu on the comparable day of last year. So far this week Kansas City and Minneapolis stocks show a combined increase of 324,000 bu. Receipts of new wheat in the Southwest are considerably higher than a year ago; Kansas City, Fort Worth, Enid, Wichita, Hutchinson, Salina, and Amarillo had a total of 3,237 cars against 1,332 a year ago.

Cash wheat in Minneapolis was sharply lower today, with some of the poorer wheat from the South Dakota district selling 18 to 20¢ lower than yesterday. Protein premiums in the Southwest have been slipping, particularly up to 12%. The early run of wheat was rather low in protein, but as the harvest gets into western Kansas protein wheat is becoming more available.

The five-day weather forecast is favorable, with temperatures averaging above normal in Iowa, Illinois, and Indiana, which should be very beneficial for coarse grains.

The open interest in July corn again showed a healthy decrease yesterday of about 2 million bu, leaving open contracts in that month approximately 10 1/2 million bu. Bookings from the country were heavier today, with spot #2 yellow corn selling about 4 1/2¢ over July. 270,000 bu oats was shipped out of Chicago yesterday via the Lake, destined for export.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone Harrison 6282
141 W. Jackson Blvd.
Chicago, 4

July 9, 1947.

The World Grain Conference of Food and Agricultural Ministers opened today in Paris to study world grain requirements and probable exports. Secretary of Agriculture Anderson, who is heading the American Delegation, warned the Conference that hungry nations should not depend on increased grain shipments from the United States this year. He pointed out that there is no possibility of making up the deficit between requirements and supplies, and called upon European countries to increase wheat collections and to continue bread rationing for another year. While no one can minimize the plight of Europe, we have pointed out many times that the distribution of European crops was being hampered by government restrictions, government price-fixing, etc. In many countries, France being one example, farmers were dissatisfied with the price the government permitted them to obtain for wheat, with the consequence that they marketed their coarse grains and fed wheat to animals. Chairman E. Redmayne Jones, retiring Chairman of the Federation of Corn Trade Associations, speaking at the annual dinner in England, referred to the "fantastic and ridiculously high prices" that British consumers were forced to pay for grain and the great difficulties that were being encountered in importing the necessities of life. His contention was that the present level of prices has been obtained under the system of bulk purchases, long-term contracts, and government to government trading. He particularly referred to Argentina, where the farmer does not receive half the benefit of the price charged the buyer. With the exception of the United States high prices charged the importing nations are not an incentive to raise a single additional bushel of grain, but as in the Argentine, the government profit is being used for financing road work, factories, and social services. Of course Mr. Redmayne Jones represents the opposition to the Socialist government of Britain, which country has strict supervision over farming.

We have long contended that a free, competitive market is the best way to conduct international relations, and that speaking for the world in general, every farmer should be free to sell his grain to whom he chooses, when he chooses, and at the best price he can obtain. Government monopolies and government restrictions have led to retaliatory measures on part of importers by raising trade barriers, tariffs, and issuing bonuses to their own farmers to produce more. A free market enables both buyer and seller to meet on common ground, and to come to their own conclusion as to what is a fair and equitable price.

In summarizing European crop conditions, Broomhall states that weather conditions have been mostly favorable for crops in recent weeks, although some sections of the Continent would benefit from rains. Harvest is now under way in the Southern countries, but despite the more favorable news from a number of areas, the over-all grain outturn is expected to be much below the pre-war level. This same source calculates that the wheat outturn will be around 456 million bu below that obtained prior to the war.

Primary receipts today totaled 3,716,000 bu compared with 1,576,000 bu last week, and 2,111,000 bu last year. So far this week Kansas City and Minneapolis stocks show a combined increase of 789,000 bu. Carlot receipts in the Southwest are running extremely heavy; for seven southwestern points, including Kansas City, they total 3,272 cars against 1,255 cars last year.

The Robinson report, which we have always considered very reliable, was received today; it showed a very glowing prospect for Kansas They claim that the wheat crop over that state is literally "in the bag Discounting frosts and hail damage, the report estimates that there are practically 15 million acres standing for harvest, and that yields probably will approximate 20 bu per acre. The report also stated confidently that Kansas has produced 293 million bu of wheat. The Russell-Miller Milling Co. report for the Northwest states that weather the past week was just about ideal, and that the coming week should see all wheat headed out. Despite large receipts in the Southwest the price of wheat ruled strong throughout the session. There has been considerable flour business done the past few days, and with present premiums and inverse carrying charges very little hedging pressure has as yet been felt from the tremendous winter wheat crop. Reports seemto indicate that a very fair amount of wheat is finding its way into storage, with quite a number of inquiries as to government loan.

The Iowa Weekly Crop Bulletin states that the past week brought a considerable improvement in the corn crop, and that all acreage has now been cultivated one or more times and the weed growth pretty well cleaned out.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone Harrison 6282
141 W. Jackson Blvd.,
Chicago 4

July 10,1947.

Secretary Anderson, in making a statement before the Food Conference now in session in Paris, points out that the United States will use 750 to 800 million bu wheat, possibly more, depending on the harvest in this country of all grains. Allowing for a somewhat increased carryover stock to a safer working level, he stated that we may have somewhat more wheat available for export than last year, depending entirely on the final outturn of corn, oats, barley, and other grains. However, he pointed out that in view of the uncertain corn crop prospects and the box-car shortage, it would be unwise for the Conference to count on any substantial increase in all grain exports from the United States during the coming season.

While no official government figure has been issued as to the wheat carryover at the start of this crop-year, it is assumed by the trade that it will be somewhere in the neighborhood of 75 to 80 million bushels. The June 1st estimate was for a total wheat crop of approximately 1,409 million bu, making supplies at the beginning of the season 1,484 million bu. Assuming that home consumption will be 800 million, (and this may be exceeded if anything should happen to the corn crop and more wheat has to be fed), it would leave a total for export and carryover of 684 million bu. If 400 million wheat and flour is to be exported in terms of wheat, which is about in line with what was shipped last crop-year, the carryover at the end of the season could be in the neighborhood of 280 million bu. Government agencies have been talking figures as high as 500 million bu for export, but until we know about the corn and oat crop, and the amount of wheat that will be needed for feed, also next year's prospects for the winter wheat crop, we think it would be exceedingly dangerous to figure at the moment on exporting much over 400 million bu. A normal carryover in the pre-war period used to be considered around 230 to 235 million bu, since which time the population of the United States has probably increasedabout 10 million, and our carryover should comprise a minimum three months' supply for grinding and all other usages. We have been blest with tremendous wheat crops the last few years, with the largest winter wheat crop on record now being harvested. There has been no real setback in a number of years. Weather conditions have been ideal, and it is not safe to figure in advance on a continuation of these record crops. We thoroughly concur in the further statement of the Secretary of Agriculture when he said, "The solution of the problems in the years after this one calls, of course, for expanding production in the deficit countries."

From some sections of the oat belt more encouraging crop news has been received, and one crop authority points out that in the southern part of the belt, Kansas, Nebraska, and Ohio are showing considerable improvement, and states that unless the crop is subject to extremely high temperatures at the critical stage, yields are now expected to exceed earlier poor prospects. In the Northwest the same source feels that oats are only a few days behind normal, and the condition is mostly good to excellent.

Carlot receipts in the Southwest still show a considerable increase over last year. Despite the acute box-car shortage, in view of the tremendous yields, a large quantity of wheat is moving to terminals. Receipts at Kansas City today were 1,164 cars as compared with 893 a year ago, and for the six other Southwest markets reporting today, the total was 2,335 cars compared with 1,022 last year. In order to meet the existing emergency, the Kansas City Board of Trade has issued a statement that as long as the movement of wheat keeps up in sizeable proportions, the State Inspection Departments have agreed to work Sundays and to deliver samples Sundays rather than let these cars accumulate until Monday. Furthermore, the Board of Trade will have a clerk on the trading floor on Sunday afternoons to receive disposition orders, and the railroads have agreed to pick these orders up that afternoon. This should help to expedite the movement of cars in that market.

Primary receipts of wheat today totaled 3,713,000 bu which compares with 2,030,000 same day last week, and 3,006,000 bu comparable day a year ago. So far this week Kansas City and Minneapolis stocks show a total increase of 1,397,000 bu.

Apparently there is considerable domestic flour business being booked at the present time, and there was evidence in the pits of considerable buying on part of mills. Farmers in the Southwest show a decided tendency to put wheat into storage rather than market same, and this is adding to the tightness at the moment. Whether advance in prices will bring out freer country offerings remains to be seen.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 11, 1947.

After the close of the market yesterday, the government report was issued, and of particular interest to the trade was the estimate on corn. As of July 1st, the production figures are 2,613 million bu, which represents a reduction of nearly 700 million bu from last year's bumper crop. The yield per acre is given at 31 bu against last year's final yield of 37.1 bu, and the ten-year average of 29.4, which reflects the damage caused by unfavorable spring weather and floods. The actual acreage planted shows a decline of 4.9% from last year. Since July 1st weather has been more favorable, but as everyone realizes, corn got off to a rather late start, and the final outturn will depend on weather between now and harvest, and also the period in which frost is experienced. 23% of last year's record crop was still on the farm as of July 1st, making supplies at that time approximately 190 million bu larger than a year ago, which would indicate a carryover on October 1st somewhere in the neighborhood of 350 million bu, and possibly slightly less.

The report on wheat furnished no surprises except the prediction of 343 million bu wheat for the spring belt, which is a little bit higher than contemplated, but all reports received recently from the Northwest have indicated that crop conditions are excellent. The report further confirmed a tremendous harvest in the Southwest, and the prospect of a total wheat crop of 1,443 million bu. The amount of wheat on farms is 40 million compared with 41,600,000 in 1946. Commercial visible stocks, 20 million bu as compared with 29,900,000 bu old wheat a year ago. This leaves the amount at interior mills, merchant mills, CCC bins, and in transit to be accounted for. Last year the total of the above items was 28,800,000. The carryover last year equalled approximately 100 million. So using the above figures, we would estimate the carryover this year to be somewhere in the neighborhood of 80 million bu.

The Canadian report was also issued yesterday afternoon. However, no estimates are given --merely condition. The spring wheat condition in Canada on June 30th was placed at 125% of normal compared with 122%, the corresponding date last year. However, in speaking of exports, Broomhall mentions that the United States hopes to export 536 million bu grains, and that Canada may have 300 million of all grains. Therefore, Argentina, Australia, Russia, etc. would be called upon to furnish 350 million bu to the deficit countries. He further comments that even these quantities will fall short of world's import needs and rationing will have to continue in many countries.

The main news in the market today was the advance in the CCC buying price. For the past week actual cash prices have been considerably higher than the price which Commodity Credit Corporation was willing to pay. Consequently, they have obtained rather limited supplies. The same thing has been true of PMA flour price, it has been lower than the domestic price. There has been a very large domestic flour business booked during this week but PMA has been almost absent from the market. This morning CCC announced that they will pay in Kansas City $2.23 1/2 for No.1 hard wheat warehouse receipts delivered in July, and $2.24 for delivery in September, while at the Gulf they will pay $2.36 1/2 basis Galveston for July warehouse receipts, and $2.37 for September. The last price was $2.25 basis Galveston.

The CCC announcement acted as a spark which caused a great upheavel in the market, and was reflected in all pits. At one time most of the wheat futures had advanced the permissible limit for one day. Following the announcement of the CCC general buying was evidenced in the pit, including mills, investments, etc., but top prices were not maintained. It seems to be the decision to have the CCC handle the export business, with few exceptions, but we are still of the belief that if the business were handed back to the private trade, under government allocations, supplies would be accumulated, the same as they were in prewar times with less gyrations in the market. In other words, if the buying were scattered through different houses it would not have the same market effect as when it is concentrated in a single hand.

Primary receipts of wheat totaled 4,795,000 bu against a holiday last week, but compare with 2,336,000 bu last year. So far this week Kansas City and Minneapolis wheat stocks show a net increase of 1,069,000 bu. When the visible is posted on Monday it will compare with an increase a year ago of 5,690,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 14, 1947.

Last week there was a span of 23¢ per bu in July wheat, between the extreme low and high quotations. Markets were very strong, and ordinarily during a period of movement and accumulation this would not occur except if there were some drastic change in the character of the crop news. However, as we all know, this was not the case, as actually the spring wheat estimate was extremely optimistic and augurs a crop for the Northwest only second to the largest in the history of the country. Thus it is a foregone conclusion that even with some damage, which occurred to the winter wheat crop owing to the early spring frosts our total supply of winter and spring wheat will establish an all-time record.

Last week CCC purchased only about 450,000 bu wheat and PMA flour prices were too low to do much business. So on the surface the government could not be accused of influencing the market to any great extent. However, the whole country was fully aware of the fact that CCC were anxious buyers, and since they raised their price during one trading session by as much as 11¢ per bu, it was generally felt that they might repeat this operation if at any time they figured they had lost their market and would have to pay more. Naturally, this supporting evidence is quite an influence on the farmer. First of all, he knows that he can make a loan on basis of $2.08 per bu for his wheat at Chicago, and as a result a good deal of wheat is going into storage in various parts of the country. Secondly, it has been advertised that anywhere from 400 to 500 million bu wheat and flour would be shipped during the crop-season, and this likewise has created a bullish sentiment on part of speculators and traders. Consequently there have been no substantial stocks built up yet, although this was to be expected, as our carryover from last season was extremely small and there were many holes to fill. However, the Illinois movement is getting under way, and while this is not a large crop, we expect that some supplies will move to Chicago. There is also a substantial amount of wheat being booked here from southwest markets on a delivery basis, and at this time Kansas City July is about 13¢ under Chicago, which is more than a shipping differential.

Weather over the week-end was quite satisfactory. There were scattered showers, heavy in some localities, and surprisingly enough, we are getting a few reports that rains could be used in the corn belt in spite of the tremendous precipitation that fell earlier. Generally speaking, a period of hot weather is in sight, and this should not do any harm, although Northwest temperatures above 95 would not be desirable, as there are some localities that could stand rain, and the ground seems to be drying out. However, weather was hardly a factor today. During the early part of the session wheat derived its strength from coarse grains. Some people regard the recent government estimate on oats as a little too high, and we are getting some complaints of smaller yields than had been expected, although this is not at all general in character. Hot weather is forcing corn along, and we could easily visualize that the crop might finally be considerably larger than the last government report, although anything above 2,800 million bu at this time is not too likely.

When the visible supply of wheat was posted this morning, we h our first large increase amounting to 11 3/4 million bu. However, total stocks are only 26 1/2 million bu compared with 49 million bu last year. Chicago stocks of wheat increased 412,000 bu, to a total of 587,000 bu. The corn visible showed a slight decrease of 264,000 bu and there is about 2 3/4 million bu less corn here than last year.

Corn futures were very strong in today's session although the July delivery lagged somewhat and lost ground on September, the latter now being the most active trading month. This apparently inspired some buying of oats although the deferred months in this cereal were the strongest due to the fact that there was some weakening of cash premiums with the result that the July delivery was indifferent. Wheat was not too responsive even at times when coarse grains showed strength and there must be some hedging going on despite the holding tendency on part of farmers. In any case, with such an enormous crop and with the CCC operations now at low ebb and no advance yet by PMA, it may take additional speculative buying to absorb the offerings.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 15, 1947.

So long as the government continues to give active support to markets, there is little chance for any radical declines. At the present time Commodity Credit Corporation is willing to pay $2.23 1/2 for wheat in store at Kansas City for July delivery, which is slightly higher than the futures market at this writing. They are also willing to pay $2.37 per bu for wheat in store at Galveston for July delivery, but looking a little further ahead, their price is reduced to $2.33 for September. In any event such tactics, if continued, are bound to have an effect marketwise, although we have seen on past occasions that reductions have taken place, but probably in more instances when the government wanted anything very badly they had to increase the price rather than to reduce it.

Competition from abroad seems to be as great as ever, and Secretary Anderson, who just returned from the Paris Conference and is now in Washington, confirmed that the major object of his trip was to convince European countries that our breadbasket was not inexhaustible. He termed fantastic estimated by claimant nations that the world would need 50 million tons of exportable cereals this crop-year. However, we seem to be headed for the same liberal policy; namely, of furnishing all that we can possibly spare, and this will finally drain our domestic supplies, although actual quantities of wheat that we ship may finally depend on the outcome of the corn crop. In any case it is likely that our reserve at the end of the season will be somewhat larger than the present one, but this is almost essential owing to the fact that a reserve stock of 75 million bu is too low for comfort, and might have been extremely dangerous had we not produced a bumper crop this summer. There is some chance that England may draw on Russian supplies, but this can never be counted on until actual shipments have been made. We recall that negotiations a year ago broke down because of drought damage to the Russian crop. However, at the present time prospects are far better and it seems that whenever the outlook is bright the Russians are keen about advertising it from day to day, but on the other hand any adverse conditions are generally kept silent. As broomhall points out, the main fear this season is that because of insufficient machinery or delay in repairs crops may not be efficiently handled. Various estimates earlier have been made running as high as 35 million bu grain that Russia might furnish to Britain, but only time will tell whether this business can be accomplished.

Trade is still awaiting some revisions in PMA flour buying price, and apparently those in charge of the program are watching prices of wheat very carefully before announcing any advance. There is some indication that the upward revision might be as much as 20¢ CWT from July levels. In the meantime, PMA is buying practically nothing for seaboard delivery, although domestic flour business is very good, andif the government should re-enter the market, it would naturally make a big difference. CCC purchases are likewise very small, and presumably there will be a more aggressive buying program unless something alters the situation during the next week or so. These are all factors that prevent much short selling, despite the tremendous crop and the gradual building up of supplies at terminal markets.

Spring wheat crops are still mostly good, with the exception of Montana, where it has been hot the past week, with temperatures running as high as 100 degrees. A large part of the state now needs rain, and the crop is burning slightly. Little permanent damage has been done if relief comes soon. The few scattered showers that occurred were not heavy enough except in the extreme eastern part of the state.

Primary receipts of wheat were quite large and amounted to 4,083,000 bu compared with 3,181,000 bu last week, and 2,950,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 1,464,000 bu.

After mid-session all markets became very strong. There was no particular news; in fact, the mid-monthly report on corn to be issued July 22nd will probably show considerable improvement, and this was intimated today by Secretary Anderson. In spite of this, corn prices advanced sharply, wheat likewise was in good demand, and many people figure that if the government cannot buy at present levels then they may have to advance their scale, and this has been a bullish factor.

Oat premiums were somewhat weaker, but the deferred months were stronger, and there are a number of reports that the crop prospects are not all they should be.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 16, 1947.

The method of buying now being employed by the government is about as inflationary as anything we have ever known. First of all, it is an established fact that European requirements will exceed the amount of grain that can be furnished during the current season. Under these circumstances it is obvious that with the heavy commitments that the CCC has in furnishing wheat and flour for export, they cannot remain out of the market for a definite period. This was confirmed last week when on Friday CCC wheat prices were advanced 11¢ per bu, showing great anxiety to acquire grain. However, the system was ineffective, because futures advanced just as rapidly as the government price for cash grain. The same situation exists at the present time, and although very little wheat has been bought during the past week or ten days, it is known that government officials are eyeing the market and may have to make a move before long. It is the same thing except on a much larger scale as when a trader is short the market; he keeps watching quotations, and ordinarily it is just a question of time before he decides to cover. This same nervous tension exists today, and while CCC is probably 6 to 7¢ under the market and has not advanced its bids for several days, the trade feels that before long another step may be taken in advancing prices. When they handled their corn commitments, it was a much more effective program, because they acted like any private individual in accepting offerings from time to time, and whenever they were filled up, they simply stepped out of the market, so that futures were not influenced to the same extent.

Having advertised both to the trade and to the farmer that the are willing to pay $2.23 1/2 for wheat in store at Kansas City, and $2.37 for wheat in store at Galveston for July delivery, naturally this has been a "put" and yesterday considerable buying developed when prices neared those limits. By the same token PMA flour prices are too low for commercial business, and here also advances are almost bound to occur in order to take care of foreign commitments that have already been made. Some stocks of wheat and flour are on hand but the over-all program is so large that it is almost necessary to make large purchases from day to day, or at least during the week in order to meet the monthly goal that has been set.

According to Broomhall, tentative estimates of European wheat production this season indicate that it will be smaller than last. He forecasts total crops of 1,172 million bu compared with 1,242 million in 1946. This compared with 1,623 million, pre-war average. Some of the large countries, such as France, are particularly deficient, with only 192 million bu estimated compared with 245 million last year and 289 million pre-war average. This year's Italian crop is forecast at 216 million bu vs. 224 million last year and 279 million bu pre-war While we have repeatedly told foreign claimants that there is a limit to how much we can furnish, it is, nevertheless, true that we are goi to ship all that is humanly possible, and apparently the price level is going to be high, with farmers in the frame of mind that a large percentage of their crop will be stored rather than sold. Their experience last year was that by waiting they fared better, and possibly this is the reason for the light pressure being exerted on markets at the present time. Some of the other countries, of course, generally furnishing exports, will also play their part, and some much needed rain was reported in parts of Australia. The acreage seeded this year was large, and possibly a crop of 180 million bu may be obtained, whic would leave as much as 100 million bu for export. Weather in the Argentine is favorable for seeding, but we shall not have the early estimate until late in August. First indications are that with only moderate sowings, there may be a smaller crop than was harvested last year.

Primary receipts of wheat were quite large, and amounted to 4,785,000 bu compared with 3,716,000 bu last week, and 2,677,000 bu last year. Kansas City and Minneapolis stocks so far this week show net increase of 2 1/2 million bu.

At about mid-session word came to us that CCC had withdrawn it bids in various markets, and this caused a little easier feeling, although the wheat market was also influenced by reactions in corn. It seems that weather in all states is almost perfect for development of the corn crop, and the reports are coming uniformly better. We do not exactly know what the government has in mind, with respect to its wheat buying. Possibly they may accept offers rather than to have ineffective bids at various terminals, and as soon as we get further advices, we shall try to keep the trade fully informed.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

July 17, 1947.

Late yesterday word came from Washington that there was no change in PMA prices, and this must have been a disappointment to millers , as an increase in prices had been expected. At about the same time, CCC made a partial clarification of their new wheat policy, indicating that present prices for grain were the reason for their withdrawal from the cash markets. According to spokesmen they hope to be able to stay out of the market until prices drop to a more reasonable level. When the original announcement was made yesterday that CCC had withdrawn its support, it was generally assumed that the governmental agency could not long remain out of the market without throwing its whole export program out of kilter, as undoubtedly with the heavy allocations that have been granted, they must have boats chartered, and most officials even now admit that more wheat and flour is needed.

As we analyze the situation, total wheat production in this country promises a yield of 1,435 million bu, according to the last official estimate. Adding to this the carryover reserve, we started the season with a total supply of 1,510 million bu. Under normal circumstances we would not consume more than about 800 million bu at home, although if anything should happen to the corn crop, naturally this figure would have to be revised, as it might mean additional feeding of wheat. On the assumption, however, that our disappearance will be more or less the same as last year, it leaves about 710 million bu for next carryover and export. Thus it is obvious that the entire matter of price structure remains in the hands of the government. Should they see fit to pay more attention to our domestic economy than to the European needs, they could, of course, bring about sharp declines from present levels, or at least they would be in position to create more moderate prices, which is apparently their aim. On the assumption that they desire to build up a carryover reserve next July of 210 million bu, we could spare 500 million bu for overseas shipment, which is still a very large quantity and more than has ever before been furnished in history, or more than any other one country has ever cleared. In this connection, however, the method of handling is of equal importance. There is a practical way of doing this business, but on the other hand if the various agencies rush in from time to time and prevent accumulations at terminal markets, it might affect our whole economy adversely. For example, at the present time it would seem the better part of wisdom if CCC would stay out of the market until after July deliveries have been consummated. We are gradually building up a small stock of wheat in Chicago, and with the quantities of grain that mills are able to get from first hands, it would probably take only moderate tenders to keep our price level from advancing unduly. We believe it was this reasoning that was explained to President Truman when the various exchange presidents and officials convened in Washington yesterday.

There were some scattered showers in the Northwest where needed, and in some localities temperatures dropped as much as 20 degrees, which should be very helpful. Precipitation spread also to Nebraska and is probably moving Eastward, so that the corn belt is expected to have showers by tonight or tomorrow. With high temperatures prevailing, this is about perfect for the best development of the crop. While the acreage is small, if we should get an increase of 5 bu to the acre, we might still have a very sizeable production, and this is causing some hesitancy in the market, together with the fact that exports have been curtailed, and, therefore, there is not the additional drain on terminal markets to deplete existing stocks.

Primary movement of wheat was 3,896,000 bu, which compared with 3,713,000 bu last week and 2,844,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 3,747,000 bu.

Markets were all weaker today. Corn led the decline, and this had an influence on wheat, although the government attitude in staying out of the market was undoubtedly an important factor also. Should they decide to delay the announcement of September allocations until such time as they can buy their wheat cheaper, they, of course, hold the whiphand and might force rather sizeable declines. After all, it is their buying and the amounts of flour allocated for export that are maintaining the present level high.

Good weather for corn and more optimistic reports are causing a more bearish sentiment to develop, and this likewise is influencing the oat market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

July 18, 1947

There was no particular news overnight. Weather on the whole was satisfactory for corn. A few showers had occurred, but the forecast is for clearing and slightly cooler, with the five-day outlook suggesting temperatures running 4 to 5 degrees lower than normal. In our opinion, this is rather favorable for the reason that very often hot weather in July takes a certain toll from the corn crop, and so often we experience curling of the tassel or actual firing, but so far this season there have been practically no complaints. When the mid-monthly report is issued on July 22nd, there will be a revision of acreage for Illinois, and we presume for other states also, and the general guess is that there will be an improvement shown of possibly 100 to 200 million bu over the July 1st estimate.

While prices were somewhat lower this morning at the opening, it seems that country offerings are nil, and this may have caused some short-covering, particularly after several days of weakness. In wheat the CCC is still out of markets, and there is no intimation as to what they may do with respect to their requirements, although in general it is felt that they may not make additional purchases until next week. According to one correspondent in Washington, it is their intention to buy more wheat and less flour, as some foreign claimants are trying to keep home industry going, and likewise when they buy the grain, they get the advantage of the offal and the residue, which, of course, is impossible when we sell them the flour only. The difficulty is that our port facilities for wheat are limited, and since so much of the grain is tributary to gulf ports, and has to be shipped via New Orleans or Galveston, we would not be able to handle the very large quantities unless a good deal of flour were included in the total. In other words, interior mills would be in position to send sacked flour to various Atlantic ports, and we believe this made it possible last season to attain our goal despite shipping difficulties.

Mr. John J. Dedman, the Australian Minister of Postwar Construction, recently stated Australia might have her greatest wheat crop this year, exceeding the previous record of 210 million bu. At the same time he expressed the possibility that 120 million bu, and perhaps more, would be available for shipment. This is higher than any figure we have seen thus far. We are not getting nearly such optimistic reports from the Argentine, but as we have stated on many occasions, the farmer has never received the proper incentive, and, indeed, there has been great dissatisfaction owing to the fact that the export price is in many cases three or four times as high as the price which obtained for the producer. So a good deal of wheat and some corn actually rotted on the farm, or at least never came forward. Since last August, Argentine wheat shipments have amounted to 54.5 million bu compared with 63.7 million bu during the same period a year ago, and the five-year average of 126.3 million bu. Thus it can be seen that even with a fairly large production, foreign shipments have been quite disappointing.

Primary receipts of wheat were 4,750,000 bu compared with 4,795,000 bu last week and 2,931,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 4,766,000 bu. We expect a big increase in the visible supply on Monday. Last year same date it increased 4,758,000 bu.

As we mentioned early there was strength in the various markets during the first half of the session, but later on there were further uncertainties as to when CCC might re-enter the market, and weakness developed particularly in the July wheat, which at one time sold at 14¢ over Kansas City, or more than a shipping difference. July wheat finally narrowed its discount over the later months, and in Kansas City there is actually a carrying charge of nearly 1¢ per bu. Even corn finally yielded some ground, despite the fact that offerings from the country are extremely small.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

July 21, 1947

Weather news over the week-end was construed rather bullish. This was especially true of corn, where temperatures were rather low and the forecast was for a drop to 45 degrees Fahrenheit in some parts of Iowa tonight, although for the Northwest higher thermometer readings are in sight. Nevertheless, with the corn crop having gotten off to a poor start, the trade figures that it will take some forcing weather and higher temperatures should now prevail in order to beat the frost next fall. This being the case, higher prices were established at the opening this morning, which, of course, was an influence on other grains As for wheat sentiment is likewise bullish because it is generally felt that only if the government stays out for a prolonged period will prices recede to the level at which CCC is apparently willing to buy. On the other hand if they have boats chartered and really need the wheat, possibly they have overstayed their market and must come in, paying higher prices, the same as they did last year in the Northwest when their indifference early netted them nothing. As a general rule anyone in the business who requires large quantities finds that the most efficient way of making purchases is during the period of movement and accumulation, and, of course, it matters little whether this be private business or whether it is the government. Of course, CCC is not entirely without grain, as their early purchases covered about 40 million bu of wheat, but during the past two weeks they have hardly bought anything, and with PMA prices lower than the domestic level, they have not obtained much flour either, so they still are in the position of a short who watches quotations eagerly, and if finally he does not get satisfaction at the price he thinks is reasonable, he may yet be compelled to pay the market sooner or later. This undoubtedly is the present psychology of those in the business who are watching and waiting to see what the next step will be.

There are some offsets, of course. The crop has been large, and ordinarily when we have tremendous production fairly low prices prevail. But this year we have advertised to the world that we are ready and willing to ship about as much as is physically possible, and the farmers know it, so that a good deal of grain is going into storage, which might otherwise come on the open market. Russia is still a potential shipper, and might furnish 75 million bu wheat to Britain, but this is never sure as the crop is not yet harvested, and shipping difficulties later on might still cause a change in the early plans. The Canadian acreage is somewhat smaller than last year, by a little more than 2 million acres. Yet on the other hand, the Prairie Provinces have a chance of producing 459 million bu, which would compare with 400 million bu last year, and about the same for the five-year average, 1940-44, inclusive. Their first obligation is to Britain under the five-year contract, but it would still leave a fairly sizeable surplus for other countries, but yet prices in the United States, even though high, are more than competitive, and the demand for our wheat and flour seems to be limited almost entirely to allocations, so that there is nothing very bearish from that point of view. A much larger wheat crop is expected next season in Australia if the weather continues favorable. This, too, is for the future only, and according to Broomhall, the balance of wheat remaining is only about 32 million bu from the old crop.

When the visible supply of wheat was posted, there was a tremendous increase shown of somewhat over 16 million bu. Total stocks in all positions are only 11 million bu smaller than last year and now stand at 42.6 million bu. Chicago stocks increased 192,000 bu totaling 779,000 bu. However, there were very large receipts here today and when this grain is unloaded, we believe that some of it will probably be tendered on July contracts. The corn visible also increased 1 1/4 million bu with stocks in all positions 10.7 million bu or nearly as much as last year. The oats visible decreased 296,000 bu.

Markets yielded some ground after early strength. This may have been due to President Truman's statement warning against inflationary tendencies and he urged caution against a wave of speculation in cereals despite the fact that the corn crop wpould be shorter than last year. Apparently he figures that with the heavy production of wheat that somehow or other the supply of grains will be more or less equalized. There was no further news from Washington on higher PMA prices for flour nor on September allocations and we doubt whether the CCC made any further purchases of wheat. On Friday and Saturday, they bought 735,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

July 22, 1947

After the close of the market today, the government will issue a revised estimate on the corn crop, and an increase of 100 to 125 million bu is now being freely discussed. This condition would be as of July 15th, since which time it has been rather cool. We note that Mr. N. E. Dodd, Under-Secretary of Agriculture, in a speech here in Chicago yesterday, talked a little pessimistically on the outlook, calling attention to the adverse factors which we had faced this spring. In discussing Iowa rainfall, Mr. Dodd pointed out that on an average 10.4 inches of rain fell in June, which was 1 1/2 inches higher than the previous record, and he also referred to the flood stage in St. Louis early in July, which was the worst in 103 years. Naturally, with such unusual weather and the cool nights which we have had since, it is going to take better growing weather from now on if corn comes through satisfactorily. The danger, of course, is that the crop may not mature by early October, when the first frosts generally occur. The Under-Secretary was more concerned, however, about the chances of losing a lot of corn because of high moisture content than because of the fact that the crop might be excessively short.

However, these various factors had a stimulating effect upon the market, and higher prices were bid right after the opening bell. In wheat there were completely different influences, and after the close yesterday PMA announced a flour advance of 15 to 20¢ per cwt, which was construed rather bullish. This was really more than the trade had expected, and we feel that a large business was probably put through, although it was not fully reflected in the pit, as very likely some of the mills had been long flour in anticipation of the advance. Moreover, CCC late yesterday bought wheat contrary to their policy of waiting for more reasonable prices. They seem to insist that this does not denote any change in the general buying policy, and our own experience has been that they are not particularly active at the moment in the Southwest, nor do we hear of any large single transactions taking place. Nevertheless, it does suggest that they are rather eager to take care of August allocations, and the trade is fully aware of the large requirements that must be met, so that sentiment continues rather bullish. This seems to be affecting more the nearby deliveries than the deferred. There still seems to be some delay in announcing September allocations. Normally, we would have had this figure by the 15th of July, but there seems to be some controversy between the Department of Commerce and the Department of Agriculture, and nobody knows yet whether new machinery will be set up to handle the business. According to one authority this is responsible for the delay. Under the new law extending export controls, authority is placed in the hands of the Commerce Secretary, but with respect to food and other farm products, the task of limiting shipments from this country is in the hands of the Department of Agriculture.

As a result of the high prices now prevailing for all cereals, we find that in the first six months of 1947, farmers have received $11.7 billion from farm marketings, which is about 40% more than last year. When government payments are included, total cash receipts were close to $12 billion, or 25% higher than last year.

Primary receipts of wheat amounted to 4,174,000 bu or about the same as last week when they amounted to 4,043,000 bu. This compared with 2,810,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of nearly 2 million bu.

As we explained earlier, government flour buying was the main incentive in wheat and advices from the Southwest termed the business as tremendous. Others stated that the government took about everything that had been offered. This apparently is an indication that requirements are big and it was naturally construed as bullish although on profit taking best prices of the day were not fully maintained. Corn likewise reacted from the early strength but there were fairly good supporting orders in the market although it is not likely that when September allocations are announced that corn will be included as the government apparently is desirous of sending mostly wheat and flour to Europe. The open interest in all July contracts is still quite large and tomorrow will be the last trading day. After that settlements must be made through delivery. We figure that reasonably large quantities of wheat, corn and oats will be tendered.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

July 23, 1947

After the close of the market yesterday, the government issued a mid-monthly report on corn for the important corn belt States. This showed an improvement of 158 million bu in prospective production since July 1st. Should this promise find fulfillment, it would mean about 5% better than average compared with a little under average on the first of the month. However, it was pointed out that the 1947 corn crop is late, although it has caught up somewhat during the past two weeks. It was further stated that the corn belt had experienced "uniformly good corn weather", adequate moisture generally, warmer days, and fairly cool nights. Reports also indicated that the fields were now fairly free from weeds.

Ordinarily this would have caused some bearishness in the market and possibly lower prices, but the trade is very skeptical, owing to the fact that nights have been cool, and in fact, we have had subnormal temperatures for the past week or so, which is sometimes indicative that the crop might be tasseling on a short stalk. As a matter of fact, some reports from Iowa were of this nature, although we found that our office: in Illinois generally feel that this was not the case. Nevertheless, weather has been adverse almost from the start. First it was difficult to get the corn planted due to excessive moisture, and we all know that unless we have a late frost next fall, something semi-disastrous might still occur. Under these circumstances, first prices were somewhat higher, and in wheat we also had firmness, as the Commodity Credit Corporation had purchased some wheat in various markets in the Southwest, although it is our own belief that this comprised wheat which they are buying for the Crop Insurance Corporation, and in most years they require only 3 to 4 million bu. However, any government buying immediately has an influence marketwise, and it was construed in a somewhat bullish vein.

About the only news we get now of European crops comes through Broom hall, and his advices are not much different. The Continent experienced adverse conditions earlier, and, therefore, the outlook is for below normal results. However, a good harvest is anticipated in Russia, but we are still skeptical as to how much of the surplus will find its way to the deficient countries. There have been some rains in Bulgaria, which delayed harvest, although this should help the late crops. In Italy private estimates are running lower than official. It is almost a foregone conclusion that they may have considerably less than last year. Crops in Belgium, Denmark, and The Netherlands are rather poor. All this suggests that requirements will remain large and while the government is not buying to any extent at the present, there seems little doubt that they will have to re-enter the market at some time or other, as we have promised to ship to the ability of our transportation facilities, altho' at times this was tempered when the corn crop appeared to be sufficiently poor to make officials at Washington more conservative in the total quantities of grain and flour that could be spared.

Another factor which has helped the market is that several large chain bakeries have made rather liberal purchases of flour during the past week. This coming at a time when pressure from the country was only moderate, naturally had more than the usual influence. The export trade, however, was light, although yesterday large quantities must have been booked when PMA advanced its price, but little was heard on this score during today's session.

Primary receipts of wheat were quite large, amounting to 5,660,000 bu compared with 4,785,000 bu last week and only 2,553,000 bu last year. Kansas City and Minneapolis stocks so far this week show an increase of nearly 3 million bu.

Trade in wheat was quite moderate. This was the last day for trading in the July futures, and the nearby delivery showed some weakness toward the last, but the more distant months were in fair demand, particularly September, which seems to be gaining on both December and May. Old-timers who have been accustomed to carrying charges are not very sanguine about expecting anything of this nature due to the fact that the government is lending support in one form or another, and it is felt that before very long they will have to become more aggressive.

As mentioned earlier the corn market was also firm, but best prices were not maintained, and in fact, at times reactions were rather sharp. It looks as though the September delivery might appear low in relation to cash after July trading is out of the way, but, of course, cash corn might have to readjust to the future rather than the reverse taking place.

UHLMANN GRAIN CO.

[illegible] COMPANY

CHICAGO 4 [illegible]

[illegible] the close of the market yesterday, [illegible] monthly report on corn for the important [illegible] an improvement of [illegible] million in [illegible]

[illegible] than average compared with a little [illegible] months. However, it was pointed out that the [illegible]

[illegible] and [illegible] generally, [illegible] indicated that the [illegible]

[illegible] there [illegible] corn, and in [illegible]

[illegible] to [illegible] from [illegible]

[illegible] the [illegible] information, and [illegible]

[illegible] daily [illegible]

[illegible] wheat was quite moderate. This was the last day of trading [illegible] monthly delivery [illegible]

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

July 24, 1947

The carry-over feeling from yesterday was slightly bearish. The expiring futures in wheat and in oats indicated a rather indifferent demand. As a matter of fact, in the final minutes of trading of July oats, the price faded so badly that it probably influenced thought to the extent that light-grade oats, if delivered on September contracts, might find an equally poor demand on part of processors and those actually requiring this cereal. It was almost the first time in several months that futures eased so readily in the winding up of contracts, and, therefore, it is not surprising that some attention is being paid to this factor. On the other hand, it does not necessarily denote that we shall have a repetition of this situation next September. First of all, it is too early to tell whether we are going to build up a stock of 3 to 4 million bu light weight oats, because if the better grades are in good demand, and are commanding a premium, it may be that certain interests will find that even the lower quality oats may be wanted, and unless we have reserves, there is little chance of expecting carrying charges.

In wheat, the picture looks rather bullish, at least for the time being. The country is selling only on a moderate scale, although there should be more pressure when the movement of spring wheat starts. On the other hand, Secretary Anderson has stated again that we shall probably export 500 million bu wheat and coarse grains in the current season. While this has been known for some time, it emphasizes the fact that CCC cannot remain indifferent for any length of time. We were advised from the Southwest that they would not buy anything today, but the chances are that yesterday's purchases of about 500,000 bu at 2 1/2¢ over Kansas City September were for the account of the Crop Insurance Corporation, and we believe that more wheat is offered at the same price today. This one agency, as we pointed out, will probably not purchase over 3 to 4 million bu total, but of greater importance is the relief buying that has to be handled by CCC. While they hope to be able to get grain at their own figure, they may find that in trying to acquire tremendous quantities, it may be necessary to become more aggressive later on. Here in Chicago the buying price was reduced to 3¢ over our September in store, which was about 1¢ lower than they were paying yesterday. This, too, added a little to the bearish feeling which has developed temporarily, and undoubtedly prompted profit-taking.

In Canada there is some deterioration reported in the Province of Saskatchewan, and weather has been warm and dry, but from the tone of the message in the telegraphic report from Ottawa, might be alleviated if rains occur soon. Since August 1st, exports of wheat and flour from that country have amounted to 234 million bu, which covers a period of fifty weeks. This still leaves 81 million bu surplus so that the carry-over by the end of the month may be very close to last year's figure when they had a balance on hand amounting to 70 million bu. Considering that Canada has a population of only 12 million, this is proportionately much more than our 75 million bu carry-over, as our population is nearly twelve times as great.

Looking a little further ahead, we can hardly visualize that total wheat production one year hence will be much more than 900 million bu, unless we have very unusual weather. At least, for the time being, this is all that can be counted on. Having increased our domestic consumption to about 800 million bu, it is quite evident, therefore, that our exportable surplus may not always be as large as the amounts that we have been able to spare for the last three or four seasons. Mr. Anderson further believes that there will be no letup in the amounts of food required by Europe for the next two years. If this is the case, it will require much better than average crops and rather unusual weather conditions if we want to continue to be benefactors on the same liberal scale.

Primary receipts of wheat were large, amounting to 5,152,000 bu, which was more than twice as great as last year and compared with 3,896,000 bu last week. Kansas City and Minneapolis stocks so far this week show a net increase of 4 million bu.

Trade in wheat was somewhat smaller and there was little speculative enthusiasm to buy, although the market showed fair reactions from the early weakness possibly in sympathy with corn, which also recovered. #2 yellow corn is commanding a premium of about 10¢ over September, and for the time being, this is more or less a sustaining influence. However, there was some selling today, although the deferred months were comparatively firm.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 25, 1947

The September allocations were expected today, but it is now rumored that there has been some delay in the compilation of figures, and possibly we shall not have this report published until sometime next week. It is also stated that certain members in the Department of Agriculture welcome such a delay because they feel that possibly the market may work to lower levels, and thus give Commodity Credit Corporation a chance to acquire grain at cheaper prices than at present.

We continue to get rather bullish reports from certain European countries: notably, Sweden, Norway, Denmark, Holland, and Belgium, all of these emphasizing the damage which occurred due to excessively low temperatures last winter, and this refers both to wheat and to rye. There is no doubt in our minds that the demand would be fully maintained if sufficient dollar exchange could be procured, but according to all reports, many of the European nations are using up their funds in this country, although we still feel that as far as the United States is concerned, we shall probably continue relief shipments even if credit has to be established. In another week the world crop-year comes to an end, and for these purposes August 1st is the period generally referred to. The four important nations having surpluses: namely, Canada, the United States, Argentina, and Australia, have shipped 716.5 million bu in that time, which is 105 million bu smaller than for the comparable period a year earlier. Our own clearances are practically the same now as they were in the preceding period. Argentine shipments were about 10 million bu smaller, Australian shipments about 2 million bu greater, but the largest decrease was in Canada, and as a result of this situation the latter country will have a carryover of about 70 million bu, or virtually the same as last year. Consequently, it is quite obvious that the heaviest burden has fallen upon us and will probably continue so for another year, particularly since we have just raised the largest wheat crop in history. There is some talk that the needy nations abroad are shifting some of their buying to the Argentine and Australian markets, but it is obvious from the statistics we have just given and from the remaining surpluses in those countries that our problems are still going to be great. Therefore, we feel that it is only a question of time before CCC will have to become more aggressive in its buying methods.

Here at home, weather is fairly satisfactory, although there are territories in the spring wheat districts where rains would be welcome, as in about two weeks the crop will be ready to cut. There was some moisture in the Red River Valley and in other parts of Minnesota, which, of course, is helpful but Montana still complains that it is too dry, particularly in view of the high temperatures they have had. Some deterioration has probably taken place also in Canada. There were showers overnight in the province of Manitoba, which is the smallest of the Prairies, and likewise the least important from point of view of wheat production. However, elsewhere it was mostly dry and there seems to be a fairly extensive drought area developing in Saskatchewan, particularly in the southwestern and west-central portions. Sanford Evans claims that permanent damage has probably/resulted because of the last heat wave. However, a good, general rain might revive crops considerably. In Alberta, crops vary in condition; the eastern portion is drawing heavily on reserve moisture, while the western areas apparently have sufficient to carry through for the next week. Weather in the corn belt is more favorable. High temperatures and clear skies prevail. The five-day outlook is for temperatures about 3 to 9 degrees above the normal, depending upon location, with a small amount of precipitation indicated.

Primary receipts today totaled 5,101,000 bu as compared with 4,750,000 bu a week ago and 2,457,000 on the comparable day of last year. So far this week Kansas City and Minneapolis stocks show a total net increase of 5,105,451 bu. When the visible is posted on Monday, it will compare with an increase last year of 7,943,000 bu.

The market had a weak undertone all through the session, and this despite the fact that CCC was again in the market in the Southwest and made some purchases basis Galveston around 6 1/2¢ over Chicago September in store. Following this action, there was evidence of buying in the pit on part of elevator interests, but apparently it was not enough of a sustaining factor and wheat closed at the low for the day. We have heard no estimate as to the quantity CCC acquired, and we did not hear anything today of any purchases in Kansas City.

Oats are being affected by the light test weight which is being put out on delivery.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 28, 1947

On Friday afternoon, the Department of Agriculture gave stocks of old-crop wheat as of July 1st as approximately 83 million bu. The carryover in 1946 was 100 million, with a crop of 1,156 million, leaving total supplies at the start of the season, July 1, 1946, of 1,256 million bu. If we deduct the carryover from this figure, the disappearance of wheat during the 1946-47 season was 1,173 million bu. Exports are unofficially estimated at 385 million, as wheat and wheat equivalent, leaving the domestic disappearance of 788 million bu. This is divided up--525 million for human consumption, 87 million for seed, and 176 million for feed and other usages. The 1947-48 crop-year started out with a carryover of approximately 83 million bu, and crop prospects according to the last government figure were for 1,435 million, making total supplies for this season 1,518 million bu, or an increase of 262 million from a year ago. The carryover at the end of this season will depend mainly on the amount of exports. The government has set their sights at around 500 million bu, which would be 115 million more than the unofficial figure for last year, and if this goal is attained, the carryover at the end of the season would be increased 147 million bu or a total of about 230 million, providing the domestic disappearance is the same.

Reserves of corn remain relatively large; namely, 727 million bu in all positions on July 1st, and exceed the figures of a year ago by 195 million bu. It is fair to assume that the carryover at the beginnin of the corn season will be somewhere between 300 to 350 million.

Meanwhile movement in the Southwest continues on a large scale, with total carlot receipts in Kansas City, Fort Worth, Enid, Wichita, Hutchinson, and Salina totalling 3,941 cars today vs. 1,712 the same day last year. Kansas City alone received 623 cars more than a year ago. The wheat movement in the Panhandle has slowed down in many places and much progress has been made in shipping wheat which was piled on the ground. One party estimates that there is at least 40% of the crop still back in the country, either on farms or in country elevators, and some estimates run as high as 50%. There is a very decided tendency on part of producers in all sections to withhold supplies from the market, partly stimulated by the hopes of higher prices under our huge export program and partly for tax purposes.

A very good friend of ours, well informed on crop conditions, writing from the Northwest, comments that weather has been dry with high temperatures, particularly in the western sections. He does not feel that much damage has been done in North Dakota but that some deterioration has taken place in Montana and possibly in parts of South Dakota, and more moisture in that section would be welcome, although we believe since his letter was written, some moisture was received in Montana, but present indication is for continued warm weather through all sections of the Northwest, with a few widely scattered showers, but temperatures will probably moderate, starting tomorrow. The Canadian provinces have also been bothered with high temperatures and a continued dry spell, with a decrease in subsoil moisture. Over the week-end there were a few scattered showers in Manitoba and central Saskatchewan. The forecast indicates mostly clear, widely scattered thundershowers, with temperatures still running quite warm.

Our markets are dominated by action of CCC. From Thursday noon until Saturday noon they bought approximately 7 1/2 million bu through their Kansas City office in the Southwest. At the present time they do not follow any market advances and are holding their price at 225 1/4 in store at Kansas City and 236 1/2 in store at Chicago.

In addition to the Southwest purchases the CCC office in Chicago bought 3 3/4 million bu wheat on Friday and the PMA has purchased large quantities of flour. Meanwhile, the government is getting much larger quantities than they are shipping, and currently, there seems to be a desire to continue sales to them as further business was done today even though their paying price was reduced.

The wheat visible supply increased 23 million bu which now puts stocks at 65 3/4 million bu as compared with 62 million bu a year ago. The corn receipts have been less in recent days. With farmers' unwillingness to sell at the existing prices, the visible supply decreased slightly for the week and stocks are now 10 1/2 million bu, about the same as last year.

Wheat prices closed at the low of the day and it is probably realized that although the government program is very large, from a statistical point of view it is also important that producers will have to sell freely because as aforementioned in this letter, we could ship 500 million bus and still bring our carryover back to normal provided we do not feed wheat excessively.

UHLMANN GRAIN CO.

[illegible]

141 W. JACKSON BLVD.

CHICAGO, July 28, 1947

[illegible] afternoon, the Department of Agriculture gave figures of [illegible] wheat as of July 1st as approximately 83 million bu. The carryover in 1946 was 100 million, with a crop of 1,156 million, leaving [illegible] supplies at the start of the season, July 1, 1946, of 1,256 million. If we deduct the carryover from this figure, the disappearance [illegible] during the 1946-47 season was 1,173 million bu. Exports [illegible] officially estimated at 395 million; [illegible] domestic disappearance of 778 million bu. This is divided [illegible] million for human consumption, 87 million for seed, and 176 million for feed and other uses. The 1947-48 crop-year started out with a carryover of [illegible] 83 million bu., and crop prospects according to the less government figures are for 1,435 million, making total supplies for this season 1,518 million bu., or an increase of 262 million [illegible] a year ago. The carryover at the end of this season will depend [illegible] on the amount of exports. The government [illegible] but [illegible]

[illegible] is [illegible]

250 million, [illegible]

[illegible] conditions on July 1st, [illegible] figures [illegible] million bu. It is fair to [illegible] that the carryover [illegible] of this season will be somewhere between 300 to [illegible] million.

[illegible]

[illegible] most [illegible]

[illegible]

[illegible]

A very good [illegible] of course, [illegible] from the [illegible] particularly in [illegible] much [illegible] has taken place in [illegible] more moisture [illegible] hot [illegible] was [illegible] recent indication is not [illegible]

[illegible] probably [illegible] striking [illegible] been better [illegible] high temperatures [illegible] continued [illegible] corn, [illegible] in [illegible] and central [illegible]

[illegible] are [illegible] by [illegible] of 70%. [illegible] Saturday [illegible] they bought approximately [illegible] million [illegible] City [illegible] in the Southwest. [illegible] their price [illegible] [illegible] 1/2 in store [illegible] Addition to the Southwest purchases [illegible] million bu wheat on Friday [illegible] month [illegible] gov [illegible] are [illegible] not [illegible] [illegible] to [illegible] [illegible] price [illegible]

[illegible] 33 million [illegible] which [illegible] [illegible]

[illegible] 1/2 million bu. [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 29, 1947

After the close of the market yesterday, the government announced September allocations, and we would say on the whole that there were no great surprises shown. The total is for the shipment of nearly 45 million bu all grain and flour, compared with a revised August quota of about 52.3 million bu. There is no corn allotted for September, and as a matter of fact, much of the corn that was originally destined for shipment during July and August has been replaced by wheat and other grains. In analyzing the September allocations, we find that outside of a little milo, the bulk of the clearances will comprise wheat and flour, which according to our calculations will account for about 32 1/2 million bu wheat, while flour shipments in wheat equivalent will amount to about 9 1/2 million bu. On that basis we would judge that total exports for the whole season would amount to about 500 million bu, which has been the figure ofttimes mentioned, and accordingly would allow a very sizeable carryover reserve, all on the assumption, of course, that feeding of wheat is not going to be any heavier than last season. As to the latter, nobody can feel sure at this time, because so much depends on whether or not we have further deterioration in the corn crop from this time onward. As we mentioned yesterday, it is fair to assume that we shall start on October 1st with a reserve of 300 to 350 million bu, but on the other hand, there may be a lot of soft corn from the new harvest, and, of course, artificial drying has always been a slow process, although according to some authorities, some of the industrial users are reported to be installing dryers so that if they have to buy soft corn they will still be able to handle it. We have seen some figures that as much as 600 million bu might be unmerchantable unless it could be processed.

When our market opened this morning, the carryover feeling from yesterday was quite bearish. CCC had reduced its price late yesterday, and today they were willing to pay only 1 1/2¢ premium for #1 Hard wheat at Kansas City on basis of the September future in that market, but further stipulated that they would not pay a price to exceed $2.24 per bu. There was a third stipulation that the differential between Kansas City and Chicago could not be wider than 8 1/4¢ when making purchases on basis of the spot market. This probably had a bearish influence also for the reason that there were too many factors involved, and we doubt whether the business was heavy, although PMA flour prices remained unchanged, and the chances are that millers sold a considerable amount of flour, which also necessitated some covering of hedges. We doubt whether much export business was put through. The CCC said they would pay 5 1/2¢ a bu over Chicago September fob Gulf, with the maximum level not to exceed $2.37 3/4.

It has been rather warm and mostly dry in the corn belt and in our Northwest, although in Canada there was some relief, with rains in Alberta, which also moved into Saskatchewan, and it looks as though we would probably have a few showers in our Northwest, particularly in the north portions, but in any case, lower temperatures should prevail by tomorrow.

Primary receipts of wheat are keeping up well and amounted to nearly 6 million bu compared with 4,174,000 bu last week and 2,040,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 1,341,000 bu.

Markets were weak all during the session, although at times corn showed a firmer tendency than wheat due to the fact that it is rather dry over the belt. However, CCC has been getting its supplies so easily that this created a rather bearish feeling. For example, from noon Saturday until noon yesterday, total government purchases in Kansas City and Chicago amounted to about 10 million bu, or in other words about 21 million bu that they have acquired since Thursday. This was regarded as meaning that the government would not have to become very aggressive in its immediate policy, and as a matter of fact PMA withdrew from the flour market, although we understand this was done in order to revise prices downward. Markets showed very little recuperative power, and actually May wheat at $2.16 in Chicago does not look terribly high on basis of the loan, which is $2.08 in this area. Plus the 7¢ storage paid on all farm loans or purchase agreements, today's break brings the price close to the support levels.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 July 30, 1947

After the close of the market yesterday, the Crop Reporting Board issued new parity prices, which amounted to $2.04 per bu for wheat, $1.48 for corn, and 92¢ for oats. This was unchanged from June except that the June figures were revised about 1¢ upward in these calculations. It was, therefore, apparent that from a market standpoint it would have little effect on sentiment. However, one has to analyze these reports a little more closely to appreciate that at the present time wheat parity is about 28¢ per bu higher than a year ago. Consequently, it looks very much as though high loans would probably be with us as long as Congress is sympathetic to farmers employing the present benefit methods.

While yesterday's break did not come as a complete surprise, nevertheless many people were asking why the break had come so suddenly after a good part of the winter wheat movement has been absorbed. It has been known for a long time that we have raised the largest crop in the history of the country. It was also a fact that a fair percentage was sold, but yet reasonable quantities may still go into the loan, and producers have until December 31st to make up their minds on this question. All those who have accepted storage tickets do not necessarily have to impound their grain, but on the other hand if the price of wheat should decline materially from present levels, they would be almost sure to take advantage of this factor. Therefore, when May wheat sold yesterday at $2.15 per bu, it was only about 7¢ higher than the loan in Chicago, and consequently, there was a strong intimation that shorts would have to be much more on the defensive than heretofore. Moreover, a break of about 18¢ per bu corrected many of the technical situations that prevailed, and the final test came last night when elevator operators tried to buy wheat in the country only to find that offerings had dried up very materially. CCC was bidding $2.16 per bu last night for wheat in store at Kansas City, which was about 2¢ over their future. They were also willing to take wheat at the Gulf at $2.30 per bu. We understand, however, that the quantities purchased may not have been large. Undoubtedly some business did develop, but in our opinion such sales to the CCC could not have been very attractive because the margin of profit was so small that anyone taking a chance of getting caught on the hedge to the extent of 4¢ per bu was certainly assuming unusual business risks. We gather, however, from the type of buying that occurred this morning that a number of hedges were covered, and this gave us a very strong opening, probably for the reason that yesterday's decline had improved the technical position of the market and many of the weak holders had liquidated or evened-up their accounts.

In addition to this there was other bullish news which could not be disregarded. Britain had given a vote of confidence to the Attlee government, and our securities market was at least steady before the grain market opened. Likewise, the much talked of surplus in Russia that may finally go to Britain is not an assured fact as yet. Some further complaints are coming from France, while the drought in Canada now makes it appear as though the crop would turn out less favorably than was earlier expected. A few of the more pessimistic estimates look for no more than 350 million bu wheat production in the Provinces, which, of course, would make smaller exports likely during the current season.

Here at home PMA reduced flour prices by 15¢ per cwt, which was about in line with the market decline and was, therefore, not an important market influence.

Primary receipts of wheat were about 4 million bu compared with 5,660,000 last week and 1,964,000 last year. Kansas City and Minneapolis stocks so far this week show a net increase of 2 1/4 million bu.

As we stated earlier, markets were strong right from the start and apparently covering of hedges gave us the early impetus , with wheat scoring an advance of about 5¢ per bu. However, the severe breaks during the past few days have shaken confidence to some extent, and there was not the same speculative buying that we have noted heretofore. Coarse grains were likewise higher and some of the reports from Illinois are not too favorable with respect to corn. In the Northwest the corn crop continues to improve and there are many reports of tasseling. However, as Van Dusen points out, the crop will need rain from week to week if it is to continue to improve.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

July 31, 1947

In a recent food debate in the House of Commons in England, the Minister of Food, Mr. Strachey, pointed out the necessity for government control, while food and certain foreign currencies were in short supply. However, he went a step further in arguing for permanent controls and bulk buying. We feel in this last premise that the food Minister is not on as firm ground, and in this connection we quote in part the views of Mr. C. A. Loombe, who was formerly Director of the Cereals Division of the Ministry of Food, and is considered a man of vast experience: "There is probably no field in which the danger of prolonged control is so serious as in that of grain. Any attempt to plan the acreage of the world on a rigid system might lead to famine and disaster and might shake the foundations of civilization even further than during the last few years. Records show that, on some occasions, some of the largest acreages planted in the world have produced the smallest crops and something much more delicate than planning acreages a long way ahead is required to deal with this problem." He further points out that through many of the years prior to controls and the war, the machinery of the trade had functioned successfully, and wheat was raised and made available to the consumer. The delicate machinery of price adjustment had in many years encouraged or discouraged production, and taking the world over, wheat is being produced in some section almost every month of a crop-year. It has been through the proper functioning of free price markets that production has been encouraged or discouraged. There have been many experiences in the last several years under price control by individual countries where prices have been held unnecessarily low--the producer has been dissatisfied and has fed grains that should have gone for human consumption, or has held back in the marketing of same. It might be argued that during the present emergency prices would have risen higher, but on the other hand more grains would have been available for human consumption and consequently more supplies furnished to the undernourished.

According to the summary put out by the Department of Agriculture, changes in supply of feed concentrates give some indication of changes which will occur in the production of meat during the calendar year following the grain harvest. The Department estimates that there will be 10 to 15 million tons less feed grains and other feed concentrates for the 1947-48 feeding season than the previous year, and that the total production of meat in 1948 probably will be moderately less than in 1947, but still above pre-war figures. They estimate total meat production this fall will be about as large as last year.

According to Broomhall the harvest in Northwestern Europe is making headway, despite local thundershowers, with the condition of spring grains good, but winter grains quite poor. In the Danube Valley crops were helped by good rains earlier in June, but this growth was stunted by the drought which had prevailed earlier in the year. Russia is expected to have an average crop, with France reporting rather poor results. Apprehension is being expressed in Canada, with above-normal temperatures and lack of moisture causing deterioration in the Prairie Provinces. In the United States temperatures have been running rather high in the spring wheat territory, although the last twenty-four hours they have fallen decidedly, and the forecast seems to indicate generally fair weather with moderate temperatures tonight and Friday except some local thunderstorms in western South Dakota tonight or Friday.

Primary receipts of wheat today totaled 4,529,000 bu which compares with 5,152,000 bu a week ago and 1,785,000 bu on the comparable day of last year. So far this week, Kansas City and Minneapolis stocks show a total increase of 3,153,505.bu.

Car lot shipments in the Southwest still remain heavy. Kansas City receipts were 801 cars as compared with 409 cars a year ago while Fort Worth, Enid, Wichita, Hutchinson and Salina show a total of 1,121 cars compared with 402 cars a year ago.

Yesterday, the CCC purchased 2,792,000 bu wheat through their Kansas City office and 795,000 bu through the Chicago office. To date, the CCC has bought over 70 million bu of new crop wheat against export allocations through September of about 80 million bu. We understand in the Southwest the government agency was pretty well following the full advance in the market.

Cash corn premiums remain very firm with #2 Yellow corn selling from 14 to 14 1/2¢ over the September future and the country shows no increased willingness to market corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Aug. 1, 1947

The USDA has just released the national production goals for the 1948 crops of wheat, rye, and potatoes. The goal for wheat is set at 75 million planted acres, which is about the same as the 1947 indicated acreage, excluding volunteer wheat. This goal is approximately 8% larger than the prewar average, 1937-41, and would be the fourth largest wheat acreage ever planted, exceeded only in the years 1919, 1937, and 1938. In the ten-year period, 1937-46, the average yield approximated 14.3 bu per acre, and this applied to 75 million acres would give a yield of 1,070 million bu. However, taking the average yields from 1942-46 of 16.3 bu, it would give a production against the acreage goal of 1,221 million bu. If we use the 1947 yield of 18.6 bu, the crop could run to 1,435 million bu. The Department of Agriculture further announces that the price of wheat harvested in 1948 will be supported at 90% of parity, as required by law. The rye goal is set at 2.3 million acres, or an increase of 347,000 acres from the acreage indicated for harvest in 1947. This would make the prospective yield of 27 million bu compared with this year's indicated production of a little over 25 million. It should provide sufficient rye to meet essential domestic requirements.

The Federal Reserve Bank's Agricultural Letter comments that, despite the record wheat production in this country, the total crop in North America will be only slightly above average, and the European crop, outside of Russia, will be more than one-quarter below the prewar average. They anticipate that Russia is enjoying one of the best crops in fifty years, and could export probably up to 100 million bu from this year's crop. Sanford Evans, in reporting on foreign conditions, states that prospects for wheat in Australia are very good, and if favorable weather is now encountered there will be a decided improvement over 1946 For Bulgaria, he states that general, soaking rains have improved the condition of spring-sown crops, except in the Black Sea areas. Speaking for Canada, the same agency comments that high temperatures were again experienced over a great part of the three Prairie Provinces, and that further deterioration of the crops has occurred, particularly in western Saskatchewan, while Manitoba and Alberta have more nearly maintained their condition, although good, general rains are needed throughout.

In this country, high temperatures have moderated the last several days. There has been no precipitation of any consequence throughout our own Northwest and the corn areas, although a few light, scattered showers have occurred over northwest Iowa and central portions of the Dakotas. The five-day forecast does not suggest any great amount of precipitation, with temperatures again rising through the corn areas. This is causing further apprehension over the new corn crop. While we do not hear of too much deterioration taking place the last two days through Illinois, rains are rather urgently needed. From reports we gather, the cool weather has again retarded the growth but has prevented any firing.

CCC purchases yesterday continued but the daily amount has diminished each day recently. Total reported today was 2,700,000 bu through the Kansas City and Chicago offices. Apparently some business continued today, as they seemed to be paying somewhat better in the eastern part of the country, but their bid was not as attractive in the Southwest. The recovery in the price of wheat after the recent break has again put PMA flour prices out of line and as a consequence their purchases have come to a near halt. It is expected that if the market should be around present levels, the agency will raise their price next Monday. They are eager to obtain more flour, even though their overall purchases have been substantial. We understand that it may not be so easy to buy flour in the Southwest as many of the mills are sold up for the next 60 to 90 days. There has not been a great deal of foreign flour buying through the trade since allocations were announced and some of the recent inquiries have not resulted in business. Domestic flour business has also slowed down in the past few days.

It seems that the CCC has some corn available which they had previously bought and because allocations have been cancelled, this is made available to domestic users. There is some thought that maybe 500,000 bu would come to Chicago, although news differs on this from various quarters. There is a tendency for a small increase on corn purchases on the advance in price and some hedging was noticeable in our September futures today. Some attention has been paid to the big price difference between oats and corn, creating a friendlier feeling to oats. Some investment type of purchases was noted in deferred months, but the presence of light test-weight oats that have been coming to this market has affected the market, even though heavy weights are in good demand and the overall supplies show a large reduction from the past several years.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 4, 1947.

Weather over the weekend was very hot and very dry. This was not regarded as at all favorable for corn, as the high temperatures even extended to our Northwest, where the thermometer registered over 100° at most stations in the Dakotas. It was, therefore, not surprising that when our market opened this morning corn futures were in heavy demand, and limits were reached a few minutes after the bell tapped. This being the case, we can be quite certain that feeding of wheat will be heavier than it was last season when about 190 million bu was thus consumed. While that figure compares with a pre-war average of 122 million bu, nevertheless it was the smallest amount of wheat used for animal consumption since 1941, and indicates rather clearly that this country has become accustomed to using more wheat as a substitute for corn and oats when necessary. Nobody can be certain as to the final outcome of the corn crop, but for the time being at least we would judge that possibly an additional 50 million bu wheat might be fed. Also, we believe that in view of the short corn crop and the poor prospects for wheat in Canada, we might export more wheat than we did last season when clearances amounted to 395 million bu, which was an all-time record. In any case, European requirements are bound to be heavy, and there is some talk that outside of Russia, European production is about 10% below the 1946 harvest of 1,350 million bu. When we compare this with the pre-war average of 1,670 million bu, one can readily understand that total world shipments of 750 million bu last year was hardly enough to take care of import needs. It was considerably above the 560 million bu pre-war average, but certainly far less than importing countries wanted. It should also be pointed out that over half the wheat was furnished by the United States

In looking further ahead, we must bear in mind that bumper whea crops are the exception rather than the rule. In the period from 1932 to 1941, our production averaged only 738 million bu, and imports for domestic use amounted to only 9 million bu. However, at that time total disappearance averaged only about 721 million bu, consisting of 475 million bu for food, 122 million bu for feed, 81 million bu for seed, with exports accounting for only 43 million bu. In other words, if we should raise just a moderate crop in the next few years, with consumption running at the rate of 800 to 850 million bu, we would, indeed, disappear from the export columns entirely and would probably have to import grain from Canada. In view of these conditions we believe that CCC should not over estimate the fact that a total crop and carryover of 1,519 million bu was the third largest supply on record. Their plan of buying from hand-to-mouth just to satisfy export allocations has not proved to be economically the best. In purchasing such vast quantities of grain, the CCC has not always exercised the best judgment. This criticism comes not from the grain trade but from the Sub-Committee of Congress which was investigating shortages of food and other agricultural products. They pointed out that last December this governmental agency did not purchase any sizeable quantities of wheat, and that stocks were being depleted by export shipments. However, on January 20th, the Corporation announced a new purchase price and acquired 20 million bu wheat at approximately $2.08 per bu. The Committee believes that this heavy buying at a late period should have been conducted in a more orderly manner, so that the necessary amounts of grain could have been obtained for shipment abroad without causing undue price fluctuations and opportunities for speculators to profit as a result of the government purchase program. They further say that if the government buying agency fails to follow an orderly buying program in making its purchases, we shall again witness a repetition of wide fluctuations. They feel that the wheat should be bought when it is being marketed by farmers rather than to follow the practice of sporadically entering the market to buy large quantities, thus creating a rapidly changing price.

The visible supply of wheat showed an increase of nearly 21 million bu. Total stocks of 86.6 million bu are now 17.3 million bu greater than last year. Chicago increased nearly 2 1/2 million bu, giving us a supply of nearly 5 1/2 million bu.

Wheat was not too strong considering that corn was so potent. The latter ignored map readers warnings that by Wednesday there might be a break-up in the weather, with possibly showers and cooler. CCC is apparently buying larger quantities in the Chicago district than in the Southwest. They seem a little reluctant in following the recent sharp advances.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 5, 1947.

The Bureau of Agricultural Economics has just published its monthly resume on the wheat situation, and there are some very interesting statistics mentioned. First of all they point out that total wheat supplies for the crop-year are 1,519 million bu, which has been exceeded only in 1942 and 1943. Because of this fact we shall be in position to export even more than last year and still increase our carryover reserve next July. This also takes into account that more wheat may be used domestically, although we would say in this connection that nobody can tell at the present time just how much wheat will be fed due to the uncertainty of the corn crop. We have had some years recently where the amount of wheat consumed by animals was very heavy; notably, the 1943-44 season when 488 million bu was thus used. Likewise in 1945-46, 300 million bu was fed. Last year's figure was pretty close to the preliminary estimate: namely 190 million bu, and while this was the smallest amount since 1941, it compared with a figure of only 122 million bu, which was the average in pre-war days. However, farmers have learned to use wheatmuch more effectively as a feed, and no longer hestiate to do so whenever there is a shortage of corn and oats. Formerly, it was somewhat of a sacrilege to use wheat for anything but human use except sometimes low-grade wheat or grits which have been fed to poultry, but this seems to be no longer the case.

We must, therefore, figure on a very large domestic consumption, and the total figure mentioned by the Department of Agriculture of 850 million bu for domestic disappearance seems conservative at this time. They have in mind heavy livestock consumption and continued heavy domestic disappearance, which seems reasonable. This being the case we must compare home utilization with the total disappearance before the war, which averaged only 721 million bu during the years 1932 to 1941. At that time, we needed only 475 million bu for food, 122 million bu for feed, 81 million bu for seed, and average exports of 43 million bu. Last season total wheat disappearance amounted to 1,173 million bu, which was exceeded only in 1943-44, and 1945-46 when the use of wheat for feed was very large. Also, in those years our shipments to foreign claimants were tremendous, with last year establishing a record with nearly 400 million bu wheat having been cleared. On basis of estimated supplies, there should be about 670 million bu wheat left for export and carryover, and on the assumption that we may ship 450 million bu, we may still have a reserve stock on July 1, 1948 of about 200 million bu.

One of the private experts this morning gave his views on the various crops and increased winter wheat production by 53 million bu, spring wheat by 23 million bu, or a total increase of 76 million bu. Should this promise find fulfillment, we would finally have a total wheat crop of 1,511 million bu, which together with the carryover would give us a total supply of 1,594 million bu. The corn estimate was also larger than last month, indicating a crop of 2,725 million bu. The oat crop was estimated at 1,196 million bu.

Primary receipts of wheat amounted to 4,448,000 bu, which was a reduction from 5,999,000 bu last week but yet compared with 1,706,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1,176,000 bu.

Markets after the opening turned rather weak, although there was some buying by CCC, although we doubt very much whether this was on a heavy scale. It seems that in the Southwest yesterday their purchases were only 287,000 bu, while in the Chicago area they bought 2 1/4 million bu, consisting of hard, red, and mixed varieties. To-date CCC purchases of wheat have been about 80 million bu, or equal to the July-September wheat allocations as previously announced. Officials estimate that the present export program requires the purchase of approximately 1 million bu wheat for every working day. A few reports came here of showers but nothing yet of importance in the corn belt. In southern Manitoba fairly good showers occurred, and likewise some in Saskatchewan except for the northern sections.

After corn futures had had a break of about 5¢ a bu from the previous close, resting orders took the slack out of the market, and the five-day weather outlook was not at all favorable. Temperatures on the whole will be anywhere from 4 to 10 degrees above normal and not terribly much precipitation. Our weather man believes that rain where it occurs will be confined mainly to the northern parts of the corn belt, although temperatures by tomorrow afternoon should be somewhat lower than at present.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

August 6, 1947

There was a little more cheerful feeling late yesterday, and while it had been very hot all over the corn belt indications were at least for some relief, not only lower temperatures possibly by tonight, but also some scattered showers. However, the weather map this morning was far less optimistic, and map readers are not looking for much precipitation for the next forty-eight hours. The government weekly report stated that a good rain would be needed in most of the Great Plains and for the late corn in the South. Some deterioration has probably occurred on lighter soils in the main belt and in late fields in the South. However, most official reports have not been very pessimistic on conditions up to now, and Iowa, for example, which is the most important corn State, is reported to have made fair to good progress during the past week and is in fairly good condition now except that there is need for immediate moisture. Should we have another week of dry weather, chances are that some deterioration is bound to take place, although lower temperatures would, of course, be of some help.

In any case there was buying this morning as soon as the opening bell sounded, and not long after that all corn futures went into new high ground for the season, with the September delivery making a new record for all time. This naturally influenced oats and wheat, although Northwest houses seemed to have some hedging sales in oats, possibly against country purchases. CCC was not at all aggressive, and their attitude recently has been that by awaiting declines they have had wheat offered to them on a fairly liberal scale, and this way they have not had to influence prices unduly. However, reports from Washington indicate that there is a greater desire to build up a stock pile of possibly 50 to 100 million bu in order to take care of a rainy day. They probably have in mind that if prices later on advance, and if offerings from the country are less heavy, they will not have to rush in every day to buy their requirements in order to meet allocations

However, reports coming to us from Europe are not at all encouraging, and we feel that even with a moderately good crop in Canada, we are going to have to ship all that is humanly possible from the United States. On basis of the Galvin report, we figure that we could spare 540 million bu wheat for domestic food in this country, 87 million bu for seed, 267 million bu for feed, and 500 million for exports, which would still leave us with a carryover of 200 million bu on July 1, 1948. However, it is hardly likely that we shall have as large a crop next season as was just raised. Furthermore, we must take into account that the world population is increasing by 15 to 20 million each year, and the consumer demand for food is everywhere higher than before the war. In Asia, where they have had a food problem for at least two decades, the basic difficulty is overcrowding of the land. Here at home people are eating on an average about 154 lbs. of meat per year compared with about 135 lbs. pre-war, which means much heavier demand for feed grains. As an offset we are, of course, using better seed at home, employing better farming technique and getting tremendous yields per acre, but, of course, during the last five years we have had extremely propitious weather, and should we have any change in that direction, we could expect smaller crops even admitting improved farming methods. Certainly it will be a long time yet before Europe recovers from the devastation of war; more fertilizers, more farm machinery, and more pesticides are wanted, but apparently are being delivered only on a moderate scale.

Primary receipts were down to about 3 million bu compared with nearly 4 million bu last week and 2,055,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 2,091,000 bu.

There was nothing much in the news, except weather. The CCC purchases in the Southwest were 840,000 bu yesterday, and we believe smaller today due to the fact that wheat prices were rather steady. There seems to be a friendlier feeling toward wheat by those who have operated well in corn and oats, but it may take time yet, with the tremendous crop, before we get much of an advance, as the spring wheat movement is still to come. Corn, as we have stated, was very strong early although best prices did not hold. The need for moisture relief in Iowa is immediate and acute, and a continuation of hot, dry weather would probably result in serious damage.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 7, 1947.

As far as the wheat crop is concerned, there are many bright spots on the horizon. Thisrefers not only to our own situation but also to some of the other surplus nations. InAustralia, where a full acreage has been sown, with about 15 3/4 million acres devoted to wheat, (which is the largest area since 1932) a recent general rain has done much good to the plant, so there is talk now of a likely outturn of 200 million bu if subsequent weather isfavorable. This offsets to some extent poorer yields which are expected in Argentina. As for the latter country, the whole picture is pessimistic, because even when they get big crops the price to the farmer is so unsatisfactory that a holding tendency has developed to such an extent that Argentine exports have been very small, and especially so since the price which foreigners must pay is about four times as great as that which farmers receive. Even now, European buyers are making every effort to get allocations from the United States in order to fare better, and this will become increasingly more important as time goes on. We would say that in a general way the Continental countries have been more fortunate with respect to rye crops than they were on their wheat production. Apparently rye withstood last year's severe weather reasonably well. Rye is a very hardy plant, but in spite of this some losses have occurred in practically every country, but according to Broomhall, Germany and Poland will probably have a somewhat better yield than last year largely due to a bigger acreage.

Russia is the one country which seems to be harvesting good crops, at least from reports from Soviet newspapers. They are painting a very favorable picture of the crop outlook, but their anxiety for big yields might color to some extent these estimates. Here again, Broomhall points out that Soviet reports are apt to magnify the position, and he asks the question whether it is reasonable to think that crops of the Ukraine have escaped the effects of the prolonged drought, while those in the adjacent countries of Rumania and Bulgaria are known to have suffered severely. The Bulgarian wheat crop is considered to be in the nature of a disaster; and there is in fact no prospect ofany wheat exports from Danubian countries in the season ahead. In spite of all this, England is still negotiating with Russia for supplies, and additionally one hears that Rumania, and no doubt other countries, also hope to receive help from Russia. Therefore, on the face of it there may be some wheat and barley shipped this season, but whether the quantities are important remains to be seen.

The overnight weather showed some unexpected surprises, with nice rains in the northern sections of Illinois and Indiana, but nothing to speak of in Iowa. The storm is moving southeastward, so that by this afternoon or tonight southern and central sections of the corn belt should be favored.

Still it must be considered that the 1947 production of feed grains of 107 million tons will be about 15% less than last year's record, although 8% larger than the 1937-41 average. A smaller production of feed grains will be, at least, partly offset by the larger carryover of old corn, and probably more feeding of wheat, also smaller exports of corn should be a factor.

Primary receipts of wheat amounted to 3 1/2 million bu compared with 4 1/2 million bu last week, and only 1,780,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of about 3 million bu.

There was really never very much weakness in our market, although of course the unexpected moisture overnight caused some selling of corn, but apparently this was pretty well absorbed. The general thoughtwas that until we get some real relief in Iowa, which is the most important state, it will be difficult to have much weakness. However, Illinois, which is the second largest corn producing state, should have more rains by tomorrow, and thus the situation has at least been partially saved. The fact also that the heat wave has definitely been broken should be of some importance, although many of the long lines are still intact, and whenshorts who sold early tried to cover they ran into stop-loss orders. This gave us a higher closing. Wheat was rather draggy, but is being influenced by CCC purchases almost daily. Yesterday in the Southwest about 2 million bu was acquired by the governmental agency, but we doubt whether much could be bought today, particularly at Kansas City, as CCC insisted on various differentials which made the business more difficult. The great strength in corn finally gave us a somewhat higher closing. Oats were also influenced by higher corn prices, and a strong feed situation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Aug. 8, 1947

The Food and Agriculture Organization of the United Nations published a 39-page resume this morning, which can only be construed as bullish with respect to general food conditions throughout the world. While they admit that the damage caused by war to agriculture in Asia and Europe is slowly being repaired, they call attention to the fact that adverse weather has checked the recovery in food production this year, especially in many parts of Europe. Everyone knows that some day there may be a sharp impact on American farmer prices, particularly those commodities, such as wheat, that have been greatly expanded to fill temporary needs. However, even if European crops do get back to a fuller production, there is one important qualification to which we have called attention repeatedly, and which is mentioned again by the Federal Reserve Bank of Chicago; namely, that much of the European agriculture which formerly furnished a major portion of Europe's food is now in the Russian sphere, or at least under its domination. What use Russia will make of that capacity is a matter of conjecture. But it does suggest that the United States may find in Europe a larger market for its surpluses than before the war.

For the time being at least, one can only say that the world still faces scarcity, There may be some increases in the output of potatoes, sugar, and fats, but as for cereal grains, deficits are still to be feared. Last season 28 million tons of grain were imported by the needy nations. The minimum imports for Europe, North Africa, and Asia this season are estimated by FAO at 34 to 38 million tons against which surplus supplies are tentatively estimated at only 30 to 34 million tons. The requirements do not provide for any improvement in bread rations, or for any additional livestock feeding, or any increase in working reserves. Furthermore, one cannot forget that there is little or no prospect of improvement over the highly unsatisfactory level of 1,700 to 2,000 calories daily diet in many parts of the world.

When our market opened this morning it was influenced by the rather dry map, which indicated only a few showers overnight for Illinois and Indiana. There had been no rain in Iowa, and while the heat-wave has been broken, it still looks as though temperatures would remain above normal. The 5-day weather outlook for Illinois and Indiana is for temperatures about 5 to 6 degrees higher than normal, and for very little moisture during that period. The same is true for Iowa, where there has been no relief in some time. Thus, it was not surprising that our corn market was very much higher during the early trade, with short covering a factor.

The Department of Agriculture estimated the July exports of wheat at 22.9 million bu, 21.6 million bu wheat in terms of flour, and 15.5 million bu corn, together with 9.4 million bu other grains. In other words, total grain clearances were pretty close to 70 million bu, and while it is probably true that shipments of corn will be cut to nearly nothing for the remainder of the season, it is still likely that our wheat and flour clearances will reach 450 to 500 million bu, which means continual support for the market in order to accomplish these results.

Primary receipts of wheat amounted to 3,057,000 bu compared with 4,369,000 bu last week, and only 1,418,000 bu last year. Kansas City and Minneapolis stocks so far this week show an increase of nearly 4 million bu. We should get a very large increase in the visible supply on Monday; when it is published it will compare with an increase of 1,340,000 bu a year ago.

Trade in wheat was rather small in comparison with other pits, although some improvement from yesterday. The price advance was largely in sympathy with the great strength in corn, although the fact that the world is still facing scarcity is having quite a little to do with our price levels, even though it may take a long time yet before the shortages are felt at home. We figure that gradually heavier inroads will be made on accumulated surpluses, but, of course, just having raised the biggest crop in the history of the country there appears to be plenty for all purposes, and still leave us with moderate reserves. Nobody, however, can count on a continuation of bumper crops forever, and before long we shall be in need of some moisture in order to get winter wheat seedings into the ground under propitious conditions.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 11, 1947.

A year ago at this time the reserve of old wheat in the exporting countries was down to almost a minimum; adjusted to August 1st, the United States had only 60 million bu wheat on hand, Canada a little more, claiming 69.8 million bu still remaining in the reserve stock. Argentina had 100 million bu, and Australia 60 million bu, or a total for the four nations amounting to nearly 290 million bu, which compared with 683 million bu the year before. Prospects for Southern Hemisphere crops then were not particularly good, and in fact, Argentina and Australia together raised only a combined crop of 322 million bu, but this was more than offset by the tremendous crop in the United States, and a moderately good crop in Canada, so that total supplies on hand were a little bit more than the year before. We are not quite ready to make comparisons at the present time with last year's reserves, except that the picture looks very favorable from point of view that the United States has raised the biggest wheat crop in the history of the country. Indications are that Canada will probably raise a fair average crop, since they have had a reasonable amount of moisture lately, although some of the extreme northern sections of Saskatchewan and Alberta were not visited with precipitation and some complaints from those areas are being heard. On the other hand it is rather difficult to say what our domestic wheat consumption will be owing to the fact that many people are forecasting a possible disaster for our corn crop. Weather over the week-end was hot and dry. The plant got off to a poor start last spring, and it was not possible to plant a full acreage.

After the close of the market tonight we shall have a government estimate on probable production, although some people may claim that there has been deterioration since the first of the month owing to excessively high temperatures. Sometimes the government takes these things into account by what they call "correlation." In any case it is known that we need a good, soaking rain over the entire belt, as the recent hot wave has sapped soil moisture, at least at the surface. Chances are that there will be some relief by way of rain in north central Iowa and in Nebraska tonight. Temperatures should be lower in the western sections of the corn belt by Tuesday and possibly in the eastern sections by Wednesday. Some of the map readers are a little bit more optimistic with regard to Iowa rains, and believe that if they develop in the northern part of the State they may spread and become rather general. It is always difficult after a dry spell to gauge accurately when the break-up will come, but in any case it seems to be somewhat more hopeful, and thus we had a lower opening this morning, despite the fact that corn prices were at the top limits on Saturday, and probably some unfilled orders were in the market again this morning. However, the present high price, with corn selling for more than wheat, is naturally bound to cause caution. Consequently we are bound to have nervous markets until the tension is relieved.

When the visible supply of wheat was posted, there was another large increase amounting to 18 1/2 million bu. This places the total in all positions at 105 million bu, which is about 34 1/2 million bu more than last year. Chicago stocks increased 579,000 bu to a total of 6 million bu. Kansas City also increased, and there is only about 5 million bu free storage space in that market. The corn visible decreased 1,878,000 bu, leaving about 3 million less corn in all positions than last year.

In spite of all the hot weather that we have had and lack of rainfall, reports from the growing areas are not particularly pessimistic, although most of them admit that another ten days of the present weather would take a very heavy toll. While it is true that topsoil is very dry, we were blessed with good subsoil moisture due to excessive rains, which occurred in June, and this has relieved the present situation materially. The Baldwin Report states that pollination is moving right along, and the corn is doing a good job of shooting of ears. Rains and growing weather from this time on will be the determining factor together with the late fall.

After midsession there was a fair amount of selling and liquidation in the corn pit. The local weather bureau has now forecast substantial showers in Iowa by the middle or end of the week, which undoubtedly had a good deal of influence. Other grains were down in sympathy with corn, although the CCC stepped into the wheat market, and must have bought fair quantities, at least, in the Southwest, which was a sustaining influence; the buying of futures gave us a fair rally from the low point of the day. Trade continues very nervous, and of course this is always the case when we have weather markets.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

August 12, 1947.

After the close of the market last night, the Crop Reporting Board issued new estimates for wheat, corn, and oats, and their figures were construed quite bullish. Still it must be remembered that while an increase was expected for wheat, total production of 1,427 million bu is still an all-time record, and is 272 million bu more than last year's crop of 1,155 million bu, which was a previous record. Several records for individual states have been established for the 1947 wheat production: notably, Nebraska, Kansas, Oklahoma, and Texas, but also new highs for New Mexico, Colorado, and Idaho. The winter wheat production estimating the crop at 1,095 million bu is the first billion-bushel winter wheat crop in the history of the country, and is nearly 222 million bu above the 1946 production of 874 million bu. The spring wheat production estimate of 332 million bu is 50 million bu above last year's crop of 282 million bu. However, lack of rainfall and the heat in late July reduced the yield prospects to some extent, and we would say on the whole that the spring wheat crop is about made. There will be no new estimates on winter wheat until the final figure is given next December.

Probably of greater importance was the corn report, and as the BAE stated, seldom, if ever, has there been so much variation in the yield per acre prospects between states, between areas within a state, and even between and within fields. Almost everyone who has gone out in the country looking at corn has made the same observation. The August 1st estimate of 2,660 million bu compares with 2,613 million bu a month ago, but still is a reduction of about 110 million bu from the July 15th estimate. The trade accepted these new figures in a rather bullish vein, for the reason that the weather since August 1st has been rather unfavorable, and possibly more deterioration has taken place. The storm area, which certain map readers had foreseen yesterday, failed to move, and the early forecast was for very little relief except possibly in the northern and northwest sections of Iowa. Some rain possibly in Minnesota, but the main corn belt is still dry and somewhat warm, and the five-day forecast was not much better although toward the end of the week a few showers may occur. In spite of all this, some traders who are a little more conservative point out that a month ago when the corn estimate of 2,613 million bu was given to the trade, corn advanced to $1.99 for September and $1.82 for December, and that since that time with just as much corn in prospect, prices are about 36¢ per bu higher, so that possibly with corn now selling at virtually the same price as wheat, the situation may be discounted. For this reason there was some profit-taking, although it was not until values had risen considerably after the opening that shorts could be accommodated.

A slight reduction in oat prospects was reported, although the crop appears to be 19% smaller than the record 1946 crop, but yet is 5% larger than the ten-year average. As the government points out, the reduction from 1946 is mainly due to a decline of 11% in acreage.

Primary receipts of wheat amounted to 3,759,000 bu. This compared with 4,448,000 bu last week and only 1,803,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 580,000 bu.

Best prices were registered after the opening. Later on there was some liquidation, and, of course, with the price of corn practically as high as wheat, there seems to be a little more conservative attitude amongst traders. Furthermore, it is recognized that should there be any unexpected rains in the next few days, it would have a very pronounced effect on our price trend. When an announcement came out of Washington that certain CIO leaders had conferred with President Truman, demanding immediate action on the continuation of price rises, there was some profit-taking in all pits. It was stated that unless something were done, there would be no alternative for labor than to ask for further wage increases. Another item that caused a little hesitancy in wheat was the fact that PMA officials stated that there was no plan for announcing flour price advances, at least for the next few days. Apparently their attitude is guided by a desire to defer buying rather than to interfere with the activities of CCC. In other words, they want to avoid whatever competition there might be if both agencies were active at the same time. All markets were extremely erratic and at times price swings were quite sudden. We believe this will continue as long as weather is such an important factor.

According to a Canadian Free Press Report, the provinces are expected to raise 363 million bu wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 13, 1947

Broomhall, in writing from Liverpool, makes this statement: "It is time importers began to realize how much they have suffered, and are suffering, by the denial of a free marketing system which alone can protect their interests, which alone can guarantee an adequate supply and which alone can set a price fair to producer and consumer." He calls attention to the fact that farmers in all exporting countries should be paid the full economic price for their wheat, and that importers should not be made the unwilling victims of a system that forces them to pay an enormous price without that price being used as an encouragement for increased production and increased marketing. For example, the Canadian farmers in the Prairie Provinces have sown only 22.9 million acres wheat for the 1947 harvest, as compared with 23.4 million a year ago, and 24.5 million acres, the average in the pre-war years, 1934-38. In other words, by keeping the price down artificially, there was not the same encouragement to sow large areas, and this again shows that artificial methods are not the proper means of getting results.

There have been a number of complaints in this country by those who figured that our price level was too high, that inflationary tendencies were creating abuses, and that speculators were reaping the benefits of undue profits. Nevertheless, the operation of free and open markets has at least prompted seeding of 75 million acres of wheat and the same will probably be true for the 1948 harvest, which would be a record, but is only attained through the incentive method. While it does work certain hardships upon consumers, it has at least saved the world from starvation conditions, and while the International Emergency Food Council still speaks of a wide gap between the amount that is available and the amount that will be needed, chances are that certain exaggerations by importers will not prove to be quite so disastrous in the final analysis as has been pictured. First of all, estimates were made long before the crops were harvested, while the importers inevitably were overly pessimistic in assessing prospects for their own harvests; likewise, they exaggerated their grains for imports. We have pointed out frequently that in the Argentine the dissatisfaction of farmers has tended to keep a good deal of grain on the farms where it was either destroyed or fed, and for that reason the exports from that country have been rather disappointing for the past two years.

So long as we have record employment in our country, continued evidence of sustained consumption and high buying power on part of the American people, it seems unlikely that any sustained weakness in commodities will develop. Of course, this is all on the assumption that, despite dollar shortage in foreign countries, our exports will be maintained. Every once in a while reports appearing in Pravda, suggest that Russia will probably have at least an average crop while some of the big cereal-growing regions in European and Asiatic sections may equal or exceed yields of pre-war years. Negotiation for the export of grain to neighboring countries is continuing. The July railroad schedule was exceeded, and in the first ten days of August many railroads, including almost all those in the Ukraine, loaded more grain each day than had been planned. Still we do not feel that we are going to face much competition from that source, and all indications point to tremendous requirements from Europe, even though they may not be as heavy as were earlier claimed. Warm, rainy weather has brought some improvement to the wheat fields in the United Kingdom, while western continental countries are now harvesting, although official estimates of acreage and production far from encouraging. Nevertheless, they will have enough to keep them going for the next 3 or 4 months. Broomhall believes that in Italy some of the reports of very unfavorable prospects may be for political purposes, because that country is desirous of obtaining large imports of bread grain.

Primary receipts of wheat amounted to 3,338,000 bu compared with 3 million bu last week and 1,526,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of nearly 1 1/2 million bu.

After mid-session, there were reports of rains along the Nebraska-Iowa border and the Weather Bureau predicted that the heat wave would be broken by Thursday night. The forecast seems to be for showers and thunderstorms in the Mississippi Valley. This tempered bullish enthusiasm and at one time September corn declined 7-3/4¢ per bushel from the previous close. Wheat had a fairly firm undertone considering the weakness in corn and very likely some of the new speculative buying is going into wheat rather than into corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 14, 1947

In view of the many discussions on the high cost of living, the continued demand for higher wages, and the general inflation confronting this country, we realize there are many factors that have contributed toward bringing about these conditions. Probably it would have been less aggravated had it not been for the war. Primarily at least much of our trouble stems from the Inflation Bill which was passed by the Senate on April 28, 1933, and which gave tremendous power to the President to influence prices either by depreciation of currency or through other means, such as pump-priming and the various stabilizing methods that were afterwards adopted. We foresaw rather early in the game that once this inflation was started it would be almost impossible to reverse the trend. On February 1, 1934, we wrote in our market letter the following: "Old Gold Dollar, who would have celebrated his 100th birthday on June 28, 1934, died yesterday after a respected and successful career throughout. The end was not unexpected, as he had been in a rather enfeebled condition for some months past. His enemies attributed to him the miseries occasioned by the world war and its aftermath. His successor, who immediately stepped into the breach, has not nearly his vitality nor strength, containing only 15 5/21 grains of 9/10th fine gold against 25.8 grains of the same fineness; so he will be unable to wield the same power, or to command or receive the same recognition as did his predecessor. The fact that the gold price here was simultaneously raised to $35.00 per ounce (to which England immediately responded) shows very clearly that we are still linked to gold and that the new dollar will not have the same purchasing power as did the old one, the appreciation in the gold price being 70%. As a matter of fact, the two will differ so greatly in every respect as to have no similarity beyond the name. No economist or statistician of the future will dare make comparisons with prices which prevailed during the past hundred years without dwelling on the fact that we are now dealing with a dollar of a different standard."

On February 3, 1934, we stated: "We can depend upon it that our dollar will remain on at least a 59% basis. It might be lower, although not likely; but it cannot be higher. On this premise, then, all values from now on must be figured in a proportion of 59 to 100. In other words, there must be a gradual appreciation of about 70% of such values as otherwise would have prevailed." Other comments on gold and on values during that period, which we frequently discussed, are too lengthy for a market letter of this kind.

After the close of the market yesterday, we had an official crop estimate for Canada, placing the wheat yield for the provinces at 339.6 million bu, making the total for all Canada 358.7 million bu, which is a reduction of about 59 million bu from last year. While this was bad news, due to drought and warm weather the oat crop likewise has been materially revised downward-- only 291.6 million bu now forecast compared with 400 million bu last year. This very likely was responsible for the somewhat higher opening that we had, but the fact that rains in Iowa were very scanty and that weather is now clearing was naturally a factor also. However, there was very good moisture in Kansas and Oklahoma, and it looks as though an unsettled condition was developing East of the Mississippi river, so that we shall probably have scattered showers for Illinois and Indiana. Temperatures are already somewhat cooler over most sections of the country.

Primary receipts were a little bit smaller, as the Northwest movement has not gotten under way fully. Today's receipts were 2,895,000 bu compared with 3,502,000 bu last week and 1,890,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 2 million bu.

Markets were firm during the entire session, and corn again assumed leadership probably due to the dry weather in Iowa, with little chance for relief. What is really needed now is a good soaking over the corn belt to prevent further deterioration. A good many people hesitate to buy at present levels because they feel there is still some chance for relief. The CCC maintained the same price as yesterday, probably their purchases were smaller; they bought a little over one million bu in Chicago yesterday, bringing the total to 19 1/2 million bu since the 1st of July. In the Southwest, they purchased nearly 2 million bu yesterday, and thus they seem to be acquiring reasonable amounts without unduly affecting the price. There is nothing new yet on higher PMA prices, and as a result flour business is rather poor, but most mills have sufficient contracts on the books to carry them for two or three months without any additional sales.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 15, 1947

Probably not too much attention has been paid to the last official estimate of the Canadian wheat crop, but if they should raise only 358 million bu in Canada this summer, it is bound to have a marked influence on other exporting countries. Although the Canadian population is probably no more than 12 million, they have been consuming at the rate of 175 million bu wheat per year, and with a short oat crop it is likely that reasonably heavy feeding of wheat will continue. Under the bilateral pact between Britain and Canada, between 150 to 160 million bu wheat will be exported to England, and, therefore, it leaves very little wheat for any other European country. It is a blessing, therefore, that we have raised a record crop in our country of 1.4 billion bu, particularly if anything should happen now to the corn crop, which would mean additional feeding of wheat. There are some people who believe that we may not feed much more wheat than last year for the reason that the big yields occurred in Texas, Oklahoma, and Kansas, where feeding is not as important as in other sections of the country. However, it is rather difficult to forecast this early how we will come out on that score, and as a matter of fact disappearance of wheat in the form of feed is always extremely difficult to gauge even in normal times. The Department of Agriculture tells us that supplies of all feed concentrates for the forthcoming feeding season, beginning October 1st, will be 8% less than last year on basis of supplies per grain-consuming animal unit. Weather and crop developments since July 1st undoubtedly may pare this down further. It means that there is going to be less meat in 1948 and very possibly our feeding operations in many directions will have to be curtailed.

There has been some very fine moisture during the past three or four days in southwestern sections, and while not so much attention is being paid to this as in the corn territories, it is, nevertheless, important, because our government recently announced production goals for 1948 wheat acreage at 75 million acres, which was about what was planted last year. The Department stated that in normal peacetime practice such an acreage would be too large but that with world food shortages continuing, it was necessary and desirable to have record production.

When traders came to their offices this morning, there was a little more encouragement on weather over the corn belt, although Iowa for the main part is still unrelieved. However, showers up to one inch occurred in Iowa Falls and Iowa City during the past twenty-four hours. There was rather substantial rainfall over portions of Illinois, Indiana and Ohio, being heaviest over the central and southern portions, and almost negligible in the northern part of Illinois. Temperatures have fallen considerably over all central areas and are now close to normal generally, but, of course, it cannot be forgotten that quite a little damage has already been sustained by the corn crop, and if we had not had good relief there might have been considerable deterioration, maybe as much as 5 to 10% from the August government report. The five-day outlook for the corn belt is somewhat mixed. Temperatures may average 4 to 7 degrees above normal. This ordinarily would be construed favorably in view of the late season in order that the crop could catch up, except that precipitation is not expected to be very heavy, ranging only from 1/4 inch in the north to 1/2 inch in the south, and if it is scattered, many areas may be skipped again. With such spotted conditions, it is still difficult to predict the outcome of the corn crop, but there seems to be considerable pessimism in the trade, and this very likely was responsible for today's strength again, as commission houses had orders to buy and offerings were almost nil.

Primary receipts of wheat were 2,758,000 bu compared with 3,057,000 bu last week, and 1,606,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 2,654,000 bu. When the visible supply is posted on Monday there should be a fairly large increase, and will compare with an increase a year ago of only 393,000 bu.

Markets were all firm. The late weather forecast was not too promising for any material relief, although scattered showers and thunderstorms were considered likely in the Ohio Valley today and Saturday, also possibly for Sunday. Likewise, a little relief in the Plains States and the Mississippi Valley, but the trade is of the opinion that too much damage has already been sustained to expect much improvement unless we get a good soaking rain. As a result, corn prices were very strong, and this in turn influenced wheat. The CCC, however, did not follow the advance, and likewise the PMA is still standing on the sideline with no indication of any immediate raise in prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

August 18, 1947

While the trade is essentially very much interested in wheat, with rather bullish sentiment owing to the fact that CCC has tremendous quantities to buy during the current season, it still must be noted that corn is more in the limelight. If anything should happen to create a disaster in this cereal, it is bound to affect wheat for the reason that the country has learned to substitute wheat for animal use, and it was only a few years ago that almost as much was consumed for that purpose as for human consumption. On Saturday, the outlook was rather favorable for some relief in Iowa; in fact, both the official forecast and the private ones indicated that half the State might get relief, and possibly the rains would extend further, but it seems that with the exception of about one-tenth inch that fell in Des Moines and a few other points in Iowa Saturday afternoon, there was virtually no precipitation over the entire corn belt area, and instead we had scorching temperatures that were nationwide, with the possible exception of the Pacific Coast. Since the crop is already very spotted, and has suffered some damage sustained earlier, this is all the more important now, and we are getting some reports that the plant is firing. So very likely when the mid-monthly estimate is given by the government on Thursday, there will be a further sharp reduction. Just how much deterioration has taken place is always difficult to tell because we had a considerable amount of subsoil moisture. Furthermore, the last few days, with the humidity in the air, the hot winds might not have done as much damage as otherwise.

Even the experts are pondering considerably over this question, and as one of them states, "There are so many factors entering into the picture which will finally determine the outcome, we may not know until after the crop is cut, what the actual production will be." In Illinois, probably 75% of the crop is now tasseled or is tasseling, and with these hot days, there has been forcing weather, so that the question of an early frost is not being discussed nearly as much as earlier. It is claimed, however, that many ears are not filled all the way to the top, which is typical of a dry year, but surprisingly enough with all the heat that we have had, color is holding up pretty well, and this factor keeps a good many experts guessing.

When our market opened this morning, it was quite evident that prices would be considerably higher. The buying in corn came from all sources, and commission houses apparently were working predominantly on the constructive side of the market. This resulted in an early upturn of 8¢ per bushel for corn, which is the limit permitted during a single day's trade. Other cereals sympathized, and a little after the opening CCC announced a wheat bid of $2.31 at Kansas City and $2.45 at the gulf, which was an increase of 2¢ from Saturday. Thus it is quite apparent that government officials recognize the seriousness of this hot dry weather, and even suggested they would be taking it into account when figuring October allocations. Some of these matters are now under discussion with agricultural interests in Canada, due to the fact that the Canadian crop has turned out badly. Since production is estimated at only 358 million bu for all of Canada, it means the great burden will still be upon us to furnish most of Europe's requirements. American and British representatives are holding meetings this week to undertake not only matters relating to our shipments abroad, but also to the $3 3/4 billion loan, and possibly an easing of the financial strain. Britain is utterly unable today to maintain even her present low standard of living, while continuing to carry out the world military commitments of a great imperial power.

The visible supply of wheat increased 12,406,000 bushels to a total of 117 1/2 million bushels, which is 46 1/2 million bushels more than was on hand last year. Chicago stocks decreased nearly 1/2 million bushels, probably representing some CCC shipments out of this market. This leaves 5 1/2 million bushels here in Chicago. The corn visible decreased 644,000 bushels leaving the total visible a little over 8 million bushels or about 3 1/2 million bushels smaller than last year. The oat visible increased 2 1/2 million bushels.

Markets were all very strong and all futures of wheat and oats made seasonal highs, while the same was true of the deferred months of corn. However, best prices were not maintained as there was considerable profit taking but the forecast is still not at all favorable for much relief over the corn belt.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

August 19, 1947.

As near as one can tell harvesting of the Russian crop is progressing, and with the possible exception of the Ukraine, yields generally are good this year. An official statement confirms that 20 million acres more were sown to the various cereals than a year ago. On the other hand, the May drought undoubtedly did a lot of harm to crops in the Danubian countries, although Yugoslavia and Hungary were less affected than either Rumania or Bulgaria. Even if there should be a Russian surplus, it is still doubtful whether exports will amount to much, and Britain is already worried over the fact that with the lower crop prospect for Canada, she may get just the bare 160 million bu as required by the bilateral agreement, and that, therefore, it will be necessary to look elsewhere for supplementary quantities of grain. While the United States is supposed to ship about 500 million bu either in the form of wheat, flour, or sundry grains, most of this is pretty well spoken for by the Continental European countries, whose import claims are already heavier than the available supplies. If Britain wants to get additional quantities from the Argentine, she knows that a fancy price must be paid. So the chances are she may turn toward Australia where at present little old wheat is available, but yet if they have a wheat harvest next December of 200 million bu, it would leave them with a bigger surplus than in recent years, and possibly twice as great as the one a year ago. In any case Britain seems to be having her difficulties, and many of these were mentioned in Commons by Mr. Churchill last Saturday, although possibly little attention is being paid to his warnings, If they want to continue imports of foodstuffs, they will finally have to work longer hours producing export articles to take care of a better proportioned trade balance. Britain's position under Prime Minister Attlee is sadly reminiscent, although far worse than France's status under Leon Blum. In 1938, the writer could never understand how the French people could be satisfied laboring 37 to 40 hours per week when their German neighbors, manufacturing guns, planes, and implements of war, were working 64 hours, bending every effort in preparation for what followed.

When our market opened this morning, prices were somewhat easier, particularly for corn. There had been some showers in Nebraska, and later on it was reported that a mass of cold air over British Columbia and Alberta was moving southeastward, which would soon bring considerably cooler weather to the northwest states and probably to the north central states by Thursday. Even later than this the official five-day corn belt forecast was published and precipitation is looked for in the form of substantial showers over most of Iowa, southern Minnesota, and Wisconsin, averaging 1/2 to 3/4 inch, either by tonight or by Wednesday. They also indicated rather general showers over Iowa, Wisconsin, and the extreme southern portions of Minnesota Wednesday night. Showers also are likely again Saturday night or Sunday. For Illinois and Indiana the precipitation is likely to average 1/2 inch, but will be highly irregular, occurring as local thundershowers Thursday and Friday. Of course, a certain amount of damage has already bee sustained, and this we shall hear on Thursday when the government report is issued. But on the other hand, further deterioration may be arrested, and there might possibly even be some improvement if weather from now on is more propitious. For this reason there was considerable profit-taking, and we believe that there were probably very few corn shorts in the market, so that rather sharp recessions occurred.

Primary receipts of wheat amounted to 4,290,000 bu compared with 3,759,000 bu last week and 2,237,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 1/2 million bu.

The wheat market was rather firm throughout the session even though some profit-taking developed from time to time. The CCC yesterday bought nearly 1/2 million bu in the Southwest, and while it is likely that there may be some reduction in the October allocations, it is still felt that the quantities needed by Europe are large and that the government will have to come into the market all during the season. Late in the session when short-covering developed in corn and a rally occurred in that cereal, wheat prices firmed, so that the close was actually little lower than the previous session. PMA indicates that there will be no increase in prices that it is willing to pay for flour for the next few days, and we believe that for the time being domestic flour business is quite draggy, but still millers have enough business on the books to keep them going for quite a while yet.

UHLMANN GRAIN CO.

A near as one can tell harvesting, of the [illegible] crop t

[illegible]

ps in the Danubian countries, although Yugoslavia and Hungary [illegible]
s affected than either Rumania or Bulgaria. What [illegible] be
[illegible]
rown, and Britain is already worried over the fact that with the lower
crop prospect for Canada, she may get just the base 160 million bu to be
ired by the bilateral agreement, and that, therefore, it will be
necessary to look elsewhere for supplementary quantities of grain.
While the United States is supposed to ship about 500 million bu of
[illegible]
t spoken for by the continental European countries, [illegible]
[illegible] are already bearing them the available supplies. It [illegible]
[illegible]
a fancy price must be paid, so the chances are that [illegible]
Australia where at present little old wheat is available, but [illegible]
they have a wheat harvest next December of 200 million bu, it [illegible]
leave them with a bigger surplus than in recent years, and probably
twice as great as the one a year ago. It may be that Britain [illegible]
be having her difficulties, and many of these were mentioned in
Mr. Churchill last Saturday, although probably little attention
[illegible] paid to his warnings. It must want to continue imports of food-
[illegible]
articles to take care of a better proportioned trade balance. Britain's
position under Prime Minister Attlee is sadly reminiscent, of [illegible]
far worse than France's status under Leon Blum. In 1936, the writer
could never understand how the French people could be satisfied listening
ing 37 to 40 hours per week when their German neighbors, manufacturing
guns, planes, and implements of war, were working [illegible] hours, bending
every effort in preparation for what followed.

When our markets opened this morning, prices were somewhat
easier, particularly for corn. There had been good showers in Illinois
and later on it was reported that a mass of cold air over British
Columbia and Alberta was moving southeastward, which would mean brin[illegible]

[illegible]

in the form of substantial showers over parts of Iowa, southern
Minnesota, and Wisconsin, averaging 1/2 to 3/4 inch, which [illegible]
by Wednesday. They also indicated more general showers over Iowa,
Wisconsin, and the extreme southern portion of Minnesota Wednesday

[illegible]

is issued. But on the other hand, further deterioration may be
sued, and there might possibly [illegible] improvement [illegible]
now on is more propitious. For this reason there was considerable
t-taking, and we believe that there were probably very few new
s in the market, so that rather sharp recessions occurred.

Primary receipts of wheat amounted to 4,590,000 bu compared
with 3,759,000 bu last week and 2,237,000 bu last year. [illegible]
eapolis stocks so far this week show a net increase of 1/2
million bu.

The wheat market was rather firm throughout the session even
[illegible] profit-taking developed from time to time. The CCC yes-
[illegible] only 1/2 million bu in the northwest, and with its
[illegible] eduction in the October allocations, it

[illegible]

d, so that the prices are
lon. [illegible] indicates that
is [illegible] to say [illegible]

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 20, 1947.

Late yesterday the government announced October allocations for all grains, and the quantities to be shipped are slightly larger than those for September. It now develops that the various claimant nations will receive 31.3 million bu wheat in October and about 11.4 million bu flour (wheat equivalent). In addition to this there will be about 2.8 million bu of other grains cleared, which when split up comprises about 4 cargoes of milo, destined for India and Pakistan, and likewise about 4 cargoes of barley for Korea. Such quantities to leave our shores in a single month undoubtedly means that we are going to ship to the extent of our capacity, and it was naturally regarded as bullish. In addition to this there had been some rains forecast for the corn belt, but very little developed, and about the only important moisture was scattered showers in the northwest parts of Iowa, but elsewhere it was mostly dry with high temperatures continuing. This is not at all satisfactory in view of the unfavorable weather which came before.

It seems that the whole world is hungry, and while we have been discussing mostly in these letters the stocks of grain and the inability of Europe to recoup from the devastation of war, it might also be mentioned that the current rice supplies of Asia remain substantially below pre-war even after two years of rehabilitation. The rice acreages are being increased in China, Japan, Korea, the Phillipine Islands, Burma, and Malaya, and in time they will no doubt get back on their feet again, but just now any recovery will undoubtedly be offset by a reduction in the areas planted to rice in India. Thus there will undoubtedly be a demand from the Far East for grains all during the season. In many European countries it is still very difficult to get farm help or to have machinery repaired. In Austria, where cigarettes and tobacco products are rationed and where the price to the consumer is very high, there is still an inadequate supply, and the result has been that cigarettes and other products have become a substitute currency which farmers and even city dwellers have used to obtain not only household requirements, but even to induce workmen to repair farm machinery and implements.

Before our market opened word came from Kansas City that the CCC had reduced its wheat price by 1¢ per bu, but that they were still willing to pay the same at Galveston. This, however, had very little influence as everyone feels that any indifference now may be entirely offset later on when offerings from the country are not so heavy, and when the government will have to rely more on stocks that have accumulated at terminal markets. Here in Chicago they were bidding late yesterday $2.42 1/4 for cash wheat, which was only good until our market opened, and we understand there have been some conferences to decide on later action. In the meantime milling business is not particularly active, and the PMA has not suggested any increase in prices, all of which has resulted in slower mill operation. In the Southwest the mills reported that business had dropped to the lowest point in several weeks, and that most of the domestic buyers were fairly well covered for the next two months at least.

The primary movement shows a tendency to ease; today's receipts were 2,862,000 bu compared with 3,338,000 bu last week, and 1,744,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of about 900,000 bu.

It seems that CCC bought rather a large quantity of wheat in the Southwest yesterday, their report showing 2,851,000 bu up to noon yesterday. Possibly this was the reason for their reduction in price, but apparently little was acquired today since their prices were out of line. Most attention is being paid now to the development of the corn crop, and almost universally reports are to the effect that corn and beans need rain badly, and that some firing of corn is taking place. In fact we hear complaints that the ears are not filling properly. It seems remarkable that the plant is holding up as well in view of the unfavorable weather.

Late in the session the Weather Bureau announced that the cool air front which was supposed to bring relief from the torrid temperatures had changed direction, and only the northwest sections of the country would at first be favored by lower temperatures. The remainder of the Middle West will undoubtedly have to wait now for another cold air push from Canada before any cooling-off takes place, and this may not be until next Saturday, according to map readers. Under these circumstances it was not surprising that corn recovered quickly from minor recessions, and the trade is now looking forward to quite a bullish government report to be issued after the close tomorrow, showing considerable reduction since the August 1st figures were published.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

August 21, 1947

Unfortunately Great Britain has lost much of the prestige which she enjoyed prior to the war. Since the war she has not paid her way, and she has lived beyond her means, as the figures readily disclose. For the first six months of this year, £820 million was paid out for imports and all commodities, and in the same period the exports valued only £551 million, which, of course, is a situation that cannot go on for long. Even together with an internally split France, the two are not a match for Russia which has been swelled through manpower, resources, and geographic strongholds of Central Europe. There are many explanations, of course, which have brought about this crisis. The loss of overseas investments, the lag in factory output, shortages, and high prices of raw materials, including animal feeds, high prices of all imported foods, the dwindling American loan, shortage of dollars and other foreign currencies, convertibility of sterling balances to dollars, plus the internal high expenditures and the maintenance of armed forces and civil services, which have been extremely costly. As a result of all this, the Soviets are testing their strength in Greece, Korea, and elsewhere step by step to see how far they can go before they meet resistance, just as Hitler was testing step by step Britain's preparedness in 1937 and 1938. Our country, fearful of the consequences, has stepped in to ease the drain on Britain's dwindling dollar supply, and the effect of the emergency action is that no country except the United States and other American account countries can get dollars for goods or services sold to Britain. In other words, other nations will have to take pound sterling or make other arrangements with Britain in their trade with her.

The first effect was a lower market for securities in London but subsequently prices advanced. Very little effect was noted here on our stock market, which has been quiet now for many sessions. Grains when they opened were primarily influenced by the unfavorable weather which continued, with little relief in prospect for at least the next thirty-six hours. There was a good rain at St. Louis, with 3/4 inch reported at that point, also a good shower at Hoopeston, Illinois, and a light sprinkle at Bloomington, but over the main corn belt there has been no relief to speak of. It looks as though temperatures would again soar between 90 and 100 degrees Fahrenheit, which means that Chicago will set a record with thirteen successive days where the thermometer has stood at more than 90 degrees. Opening corn prices were sharply higher, and wheat was also sympathetically affected, because it will mean the substitution of other grains in our feeding calculations unless the animal population is greatly reduced.

CCC showed no inclination to raise its wheat price above yesterday's levels, and now is bidding only $2.31 for No. 1 hard wheat at Kansas City, and $2.46 at Galveston, which does not permit any business in volume, since this is currently under market levels.

Primary receipts of wheat today amounted to 2,715,000 bu. This compared with 2,895,000 bu last week, and 1,744,000 bu last year. Kansas City stocks so far this week show a net increase of 1,169,000 bu. There was no change at Minneapolis.

While markets had a very firm undertone, there was a certain amount of nervousness prior to the issuance of the corn report, and at times when profit-taking set in new buyers were less eager except on recessions to step in. However, there seems to be no immediate relief, despite the fact that temperatures at Chicago were a little lower, but this was strictly a local situation due to lake breezes, and temperatures inland are still running high. Wheat was influenced by a report that PMA will not make any flour purchases this week, despite rumors to the contrary. Nobody knows what their attitude will be later on, but there are indications that possibly by Monday they may resume purchases at prices in line with wheat costs. In our opinion they will finally have to pay the full market, and we see littl. chance of any sharp recessions, particularly after we reach the peak of the movement in the Northwest, because later on with the visible supply still declining, the whole picture may change. Farmers are still not in a selling mood but, of course, with such a big crop as we have raised, there will always be some offerings from the country, but the huge export program is bound to take any slack out of the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

[illegible] GRAIN COMPANY

CHICAGO, August [illegible]

[illegible] Great Britain has lost much of the investments which [illegible] prior to the war. Since the war she has not paid her way, [illegible] she has lived beyond her means, as the figures readily indicate. [illegible]

[illegible] million, which, of course, is a [illegible]. Even together with an internally split [illegible]

[illegible], the geographic structure of world trade. [illegible] questions, of course, which have brought about this crisis. [illegible]

[illegible] armed forces and civil services, [illegible] result of all this, the dollars [illegible] more than [illegible] resistance, just as [illegible]

[illegible] dollars for goods [illegible] sold to Britain. [illegible] other nations will [illegible]

The first [illegible]

[illegible] There was a good rain at [illegible]

[illegible] at more than [illegible] degrees. [illegible] corn prices were strong [illegible] and wheat was also sympathetically affected, [illegible]

[illegible] levels, and now at [illegible] only $2.31 for No. 1 hard wheat [illegible] and $2.45 [illegible], which does not [illegible] volume, since this is currently under [illegible]

[illegible] 2,[illegible] in the week, and 1,[illegible] last year. [illegible] stocks so far this week [illegible] of 1,[illegible]

[illegible] no change [illegible]

[illegible] and a very firm undertone. There [illegible] prior to the [illegible], and [illegible] profit-taking [illegible] new buyers [illegible] to stop it. However, [illegible] despite the fact that temperatures at Chicago [illegible] was strictly a local situation [illegible] temperatures inland [illegible] still running [illegible]. [illegible] report that [illegible] did not make any flour purchases this week, [illegible] to the contrary. Nobody knows what their [illegible], but there are indications that possibly [illegible] wheat needs. [illegible] the local market, [illegible] particularly [illegible] visible [illegible]

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 22, 1947

It is somewhat of a paradox that the early corn weather was exceptionally cool and wet, which impeded proper seeding or germination, and in fact, the acreage was curtailed due to these factors. Some of the seed was washed out or never sprouted properly, so that corn had gotten off to a very poor start. When finally sunshine and warm weather arrived, there was so little moisture that a good deal of deterioration has since taken place, and everyone who has gone out into the fields has admitted that the crop was probably more spotted than in any of the recent years. The prolonged heat, of course, is blamed for the very low estimate that was officially given yesterday, cutting the crop 223 million bu since August 1st and making it the poorest yield since 1936. The August heat wave has been and is one of the most severe, if not the severest, in Weather Bureau annals. A hot-air mass has been wedged between a high barometer off the Atlantic Coast and another one off the Pacific Coast, almost continually since the first of the month, which has caused the unusually high temperatures to which crops have been subjected. The trade believes that the estimate of 2,437 million bu, while the lowest for any of the four reports beginning July 1st, might even be lower if it were based on today's condition. A week has passed since these figures were compiled, and there has been practically no relief over the main producing areas during that period. The heat wave started in late July in the corn belt, and with the exception of a few days, has continued until now. Thus, if we were projecting conditions beyond the scope of the report, the conclusions would be equally gloomy except possibly in parts of the Ohio River Valley, where there was some rain overnight, and where a few more scattered showers are apt to develop.

It was not surprising, therefore, that when our market opened this morning, prices were sharply higher. The effects were naturally felt also in other cereals because a disastrous corn crop will naturally mean additional feeding of wheat and oats, and it may finally change the entire program of the government, which had hoped to ship larger quantities of grain to Europe than last season.

We must not lose sight of the fact that only five times in thirty-five years has the domestic corn crop exceeded the 3 billion-bu-mark. On the other hand, we have had some extremely low yields; notably, in 1934, when we produced only 1,449 million bu, and again in 1936, when production fell to 1,505 million bu. This was the drought period, and, of course, finally there was enough to go around because in corn the consumption is just as variable as our production, but it is going to take a very high price to curtail the demand. Ordinarily, our primary receipts are in the neighborhood of 200 million bu, and a good deal of this corn is needed for commercial purposes, but the great saving will have to be on the farms with a smaller amount of feeding. We have also seen that even in recent years when we had the big yields, there was tremendous dissipation of supplies owing to the fact that OPA kept prices artificially low. This is rather conclusive evidence that price is such an important factor that finally we shall be able to work out our difficulties except that there must be sacrifices and economies all along the line. It also brings to mind that our government cannot forever figure on bumper wheat crops and that, therefore, the present high clearances can be maintained only under most propitious conditions.

CCC did not raise its price and is now so far out of line with current market levels that we are certain there can be little if any business.

Primary receipts of wheat amounted to 2,988,000 bu compared with 2,808,000 bu last week and 1,859,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 1,421,000 bu. When the visible supply is posted next Monday, it will compare with last year's increase of 2,428,000 bu.

Markets were all very strong but best prices did not hold. There seemed to be considerable profit-taking and possibly for the time being there will be some hesitancy on part of new buyers who have to pay these prices. Markets act a little tired as they often do when all the news is known but in any case we do not see much likelihood of any cheap prices for cereals this year with the disastrous corn crop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

August 25, 1947

Most of the press dispatches commenting on European conditions are quite pessimistic. Of course, we all know that in the most fertile areas of Central Europe, they had a very severe winter and some acreage reduction due to the fact that weather last fall prohibited the full intended plantings. At the present time it seems to be very hot and apparently a heavy toll has been taken from the crops with France now estimated to harvest only 117.7 million bu wheat, which, of course, is a sharp reduction from the previous calculation of 184 million bu, and last year's production of 245 million bu. Broomhall feels that possibly this forecast is a little on the pessimistic side, but nevertheless some losses have undoubtedly resulted from the extreme weather. We recall in the past where every once in a while, France raised over 300 million bu, and considering the quantities of wheat imported from her own colonies, she often was self-sustaining. Domestic consumption in that country ranged from 260 to 270 million bu. It is now thought likely that the import needs will be close to 100 million bu, but whether such quantities can finally be secured remains to be seen.

Our government is planning on heavy exports not only for the current season, but believes that maximum food production will be necessary at home for the next five years to supplement European diet as far ahead as 1952. This is a preliminary step in working up the Marshall plan to aid Europe. As near as we can figure from the preliminary data, North America, including crop and carryover, will have about 200 million bu more wheat than last year. This small addition is due to the fact that the Canadian production has fallen down materially, and the last official estimate for the provinces was only 336 million bu, while the Free Press predicted a reduction a week later to only 321 million bu. It is well worth noting that in our great desire to relieve world starvation, we permitted our carryover last July to run down to 83.4 million bu, and that Canada with a population only one-twelfth as large as ours curtailed exports; therefore, had a reserve stock of 84.4 million bu on August 1st, which was actually larger than ours.

During today's session CCC twice advanced its price, finally bidding 3¢ per bu more than on Saturday for both Galveston and Kansas City. It is still their hope to obtain a record quantity of wheat and flour, with estimates running as high as 500 million bu compared with less than 400 million bu last year. There is considerable argument going on that flour is too expensive and that the War Department and nearly all foreign buyers are asking for a larger proportion of wheat. Agricultural authorities announced that they had enough wheat purchased to cover all Allocations through October, but that there was still some flour to be bought for October. It seems that PMA has not yet decided to advance prices in the proper relationship to wheat, although we expect that this will occur at almost any time.

The Indian Wheat crop is officially placed at 330 million bu, which is a little more than privately forecast. It is just about in line, however, with last year's outturn, but some pessimism exists due to the failure of the monsoon to develop satisfactorily. Because of difficulties in getting the grain from farms to market becoming serious it appears very probable that import requirements will hold at a high level at least for another year.

There was some delay in compiling the visible supply statistics, and we shall not have them until tomorrow. However, at Chicago, wheat stocks increased 390,000 bu to a total of nearly 6 million bu. Today's receipts are again heavy, but we are inclined to believe that some of this grain is just here enroute to the Atlantic seaboard. Chicago corn stocks decreased 365,000 bu, leaving 2 million bu here; oats stocks decreased 101,000 bu, reducing our local stock to 3 million bu.

The overnight news was much more encouraging with respect to weather. The drought has been partially relieved, and while the rains have been spotted, they have been extremely beneficial in many sections at least to the extent of curbing further deterioration. More moisture is expected tonight in the central and southern portions of Illinois and Indiana, and rains have been fairly general in Iowa, although not heavy anywhere except at Des Moines where 3/4 inch fell. However, the heat wave is definitely broken. This brought liquidation into the market, with all corn futures selling down the limit. Other grains sympathized, although government support in wheat was a sustaining factor and prevented sharp delcines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 26, 1947.

Last year's wheat disappearance amounted to 1,173 million bu. This was exceeded only twice before in history when the use of wheat for feed was extremely large. For example, in 1944, we fed 488 million bu wheat to animals, and in 1945, 300 million bu was thus consumed, but last year with the very bountiful corn crop we had to feed only about 190 million bu wheat to animals, which was the smallest quantity since 1941. Even this was far above pre-war average of 122 million bu. The amount of wheat for food during the year was about 500 million bu, and we presume that this figure is more or less static with the prosperous population; likewise, the amount needed for seed of 87 million bu should show no great change, and if we do not use any wheat again for alcohol, it can readily be seen that probably the most important factor aside from exports is the amount of wheat necessary for animal use, and certainly nobody can figure that out, particularly until we know how much corn we are going to raise. It is fair, however, to assume that the quantity of wheat used for feed will be considerably larger than last year, although very likely it will not be as great as the two years just referred to for the reason that prices now are very high, and the farmers find it attractive to sell their grain rather than to take a chance of feeding excessively because there are always some extra hazards involved. There is already some talk that our animal population will be reduced, but even if this is the case it is becoming more doubtful whether we shall be able to have a carryover reserve of 200 million bu wheat on July 1, 1948.

There have been some recent conferences in Canada to discuss the projected wheat shipment from North America. The International Emergency Food Council disclosed that with such a critical shortage of world cereals, the United States would have to do its share. It is already quite obvious that, despite the reports of bumper crops in Russia, some of the proposed sales from that country to Great Britain have apparently fallen through, and it seems less likely now that the United Kingdom will get their expected 1 to 2 million long tons of wheat from that source. Likewise, Canada will be forced to reduce her exports because of a poorer crop, leaving the great burden upon our shoulders, and apparently we are still desirous of trying to fulfill our obligations.

The overnight news with respect to weather was again quite favorable. There had been considerable precipitation east of the Mississippi river, although again rains were spotted and did not cover all areas. There was as much as 2 inches of rain reported at Danville, Ill., and 1.33 inches at Indianapolis, Ind., but elsewhere precipitation was more moderate and very little, if any, occurred in Iowa. There were, however, a few scattered showers in the Southwest and temperatures generally have fallen considerably. It seems to be the general consensus that moisture for corn came too late to add material benefits to the crop but that rather it will check deterioration wherever the rains were received. Our own theory is that even though late, rain will make grain, and with 90 million acres of corn sown even an improvement of 1 to 2 bu to the acre would naturally make a difference. However, it is a fact that since the mid-monthly estimates were made, a week of bad weather occurred before the relief came.

The visible supply of wheat was posted this morning, and showed an increase of 7 1/2 million bu. Total stocks in all positions are 124.8 million bu, which is roughly 51 1/2 million bu larger than last year. Today's primary movement amounted to 3,370,000 bu; this compares with 4,290,000 bu last week, and 2,257,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 161,000 bu.

Trade was rather indifferent during the early part of the session, and corn prices weakened, which was only natural, as the rains even though spotty, had dampened some of the ardor which existed heretofore, and there will probably not be the same enthusiasm which existed when daily reports came to hand of hot and dry weather burning up the crop. However, wheat prices were firm throughout the session, and the 2 million bu which the CCC purchased in the Southwest yesterday apparently took the slack out of the market. They bought nothing in the Chicago area, but some purchases were made also Northwest. Their prices today were unchanged from yesterday, but we doubt whethe much business could be put through. In any case, when wheat became so strong it affected other grains, and apparently there had been some shorts in corn who sought cover.

The five-day weather forecast suggests near normal temperatures, with some additional precipitation. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 27, 1947.

On July 1st, total wheat stocks in the four important surplus countries: namely, the United States, Canada, Argentina, and Australia, had been reduced to 379 million bu. This compared with 387 million bu in 1946, 818 million in 1945, and 1,164 million in 1944. Thus it can be seen that, if anything had happened to our domestic wheat crop, the entire world would now be in dire straits. The Canadian crop has turned out very poorly, and while the final results cannot be foretold for another month or so, it looks as though our neighbor to the north would have very little for the outside world after taking care of her own requirements and the 160 million bu that has been contracted for shipment to England. Our own reserve stock, as we have mentioned so often before, was cut to 83 million bu, but since we are blest with a bumper wheat crop again, it places our total supply at about 1 1/2 billion bu. Thus we continue to be the most important factor amongst exporters, having risen to this prominent position last year when about half the world's clearances were furnished from here. The trade seemed somewhat surprised when it was indicated yesterday that, despite the crop failure in corn, we would probably try to meet our export goals for wheat, shipping in the neighborhood of 500 million bu, including flour, during the current season. It still appears possible that there may be some revision downward if our feeding requirements are considerably larger than last year, which, of course, is a possibility with the prospects for corn almost a billion bu smaller than a year ago.

Late yesterday CCC raised its price another cent per bu, which shows a rather keen desire to acquire more wheat. However, their bids are still considerably under the market, and there was no further inclination this morning to pay more, although PMA raised its flour price 20¢ per cwt after a long period of hesitancy. This increase is rather disappointing, and it is not believed in flour circles that much business can be put through. However, the trade viewed it as slightly bullish because at least it showed that they were alert to higher prices, with all of our wheat futures today establishing a new season's high.

While harvesting operations are progressing in Europe, there is no reason to believe that there has been any appreciable improvement over the recent pessimistic reports. High temperatures and lack of rains have caused extensive damage to pastures, vegetables, and grazing land in Europe. This is true not only on the Continent but in the U.K. as well, and although the harvest has progressed rapidly root crops have suffered from the drought and production of principal grains this year is smaller than in 1946, and much below the harvest two years ago. However, the reduction in wheat is less marked than for other grains. As we mentioned recently, France is harvesting only half a crop, and we note that the bread ration in that country had been reduced, as apparently even with good imports they are going to have a difficult period ahead. Germany reports persistent hot dry weather, which materially reduced the outlook for the very important potato crop and inclement weather has also damaged pastures and forage crops. Nothing is ever too certain about Russia except that sowing of winter grains is under way in the early sections, but indisposition to carry out the export program to Britain suggests that all has not gone too well.

Primary receipts of wheat amounted to 2,369,000 bu. This compared with 2,862,000 bu last week and 1,434,000 bu last year. Kansas City and Minneapolis stocks so far this week showed a total increase of 589,000 bu.

Trade in wheat broadened considerably. Quite a few people who had apparently been in coarse grains now seem to prefer the leading cereal, probably for the reason that government support is bound to be a factor for some time to come. As for corn, weather is not such an important factor at the moment and this cereal has lost some of its glamor except that it was naturally influenced by the great strength in the wheat market. Harvesting of wheat in the Northwest is progressing now under favorable conditions. Advices from Minneapolis are to the effect that they should get a heavy run very shortly, possibly starting after Labor Day, if box cars are available. Country elevators are filled and they are begging for empties to relieve the situation which is really bad.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 28, 1947

Britain has imposed further restrictions upon her people, and in many cases they are even more severe now than during wartime. The main reason, of course, is to slash nearly a billion dollars from her dollar imports, and apparently living conditions are becoming more arduous all the time. The Nation's meat ration, which had been 24¢ worth of meat per person per week, will be reduced to 20¢ next week. There can be no question, therefore, that following the action of more severe bread rationing in France, European conditions are frightful; consequently, the need for continued heavy imports is assured for at least another year. The Danubian countries will again be a very negligible factor, insofar as grain exports are concerned, and according to Broomhall farmers have been holding back their produce, waiting for the town-dwellers to come to them with whatever moveable possessions they can use for barter. Thus black markets are rampant, and no immediate remedy seems to be in sight. This same situation extends also into Poland, and in varying degrees into other sections of Europe, much of which has been occasioned by the drought and generally unfavorable weather which has gripped a large part of Europe during recent weeks.

Under these circumstances, it is quite likely that our State Department will rule supreme, and in trying to minimize the suffering abroad will require heavier exports than may be good for our economic system, much the same as was the case last year. We doubt very much whether officials of the Department of Agriculture would ever have sanctioned such heavy shipments of wheat and flour had it not been for the greater pressure from this other source. Cutting our reserve supply of wheat last July to 83 million bu was certainly a reckless policy, and had this season's crop been late, nobody can tell what the repercussions might have been. Likewise, if we had raised only an average crop of about 800 million bu, it might have left us in a very desperate status, particularly since our corn crop at the present time may only be regarded as a failure, and thus might necessitate extra feeding of wheat for animals.

When our market opened this morning wheat prices were very strong, undoubtedly influenced by the pessimism from abroad. However, there was weakness in corn and this cereal no longer has the many friends which it did during the period of crop deterioration, when public imagination was fired by the possibility that the losses might continue to grow even heavier. At the present time, farmers and feeders are naturally giving thought to the danger of feeding $2.50 corn to livestock and to hogs without the assurance that they are going to get their full money out of these operations. While the price of corn is not likely to decline very much, with the short crop in prospect, it seems that the public is now more interested in wheat, owing to the fact that heavy exports are practically a certainty.

CCC did not raise its price today, and in fact, was out of the market at Kansas City, but this can only be a temporary affair, and accordingly, no definite market weakness developed.

Primary receipts today amounted to 2,859,000 bu compared with 2,715,000 bu last week, and 1,624,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 82,000 bu.

Markets were all a little more on the quiet side today, and our advices from the Southwest also spoke of dullness prevailing in the cash markets, but this is not unusual after the big movement that we have had. Before long Northwest receipts should pick up considerably, but much of this will depend on how plentiful boxcars are, and at the moment there seems to be considerable trouble in getting empties. Even with the government agency out of the wheat market both here and at Kansas City, there was quite a little support at times, because the general feeling is that they have to come in sooner or later, and with the quantity which they still need we see little chance of having any very sharp recessions.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

August 29, 1947

There seems to be very little change in the wheat situation from day to day, and while there has been a little more favorable weather in Canada, it is not likely that the crop up there will show much of an increase over the less pessimistic figures. We continue to be of the belief that after taking care of their own domestic requirements, which are about 175 million bu, and allowing for the 160 million bu that has been contracted to Britain under the bilateral agreement, Canada will no longer do the big international business which she formerly did. Before the war, Canada was the largest individual exporter of wheat and whenever she raised a crop of 450 million bu, the whole world looked at Winnipeg prices to see what the true value of grain was for the importing world. In those years when artificial methods were being employed here and our prices were too high, we shipped very little from our own shores, and in fact, during the drought period 1933-37, we had practically nothing to spare, and during some of those years, we were actually net importers, so that for a time at least we lost our export markets.

Even today it is doubtful whether we would ship as much if foreign nations had to pay cash for their grain, as is the case when they buy from Argentina or Australia. However, the State Department is committed to a policy of doing everything that is humanly possible to get grain and flour into European commercial channels even where credits have to be established, and very likely much of this money will never be repaid. There seems to be a little doubt, or at least some hesitancy, in adhering to the original figure of 500 million bu for total shipments during this current season. We have not yet heard anything official, but some of the members of the Department of Agriculture are beginning to talk economies owing to the fact that our corn crop has turned out so poorly. They are looking a little further ahead, intimating that a strain on our domestic supply next spring might be felt, and particularly so if prospects for the next wheat crop are less favorable than for the past few years. We do not have in mind merely that we may raise less than the 1 1/2-billion-bu crop that was harvested this summer, but also have in mind that since 1944 our harvests have exceeded a billion bu, and, of course, this is always possible when 75 million acres are sown, but, nevertheless, billion-bu crops are the exception rather than the rule, and we can no longer afford to go back to the pre-war levels of production, because in the meantime with heavier feeding and a larger population, our domestic consumption must be reckoned at at least 800 million bu. Therefore, it is quite obvious that we cannot long remain such a big exporter, and sooner or later the State Department must take this factor into its considerations. They are already fretting over the fact that this may come sooner than they have anticipated, and present reasoning is that the more dollars we pour out for purchases abroad, the less we may have to pay for foreign relief in the long run. On the other hand, it is probably also true that the longer we help these people, the less initiative they may take in trying to get their own houses in order. Much of the difficulty right now in England stems from the fact that people no longer want to work. Laboring from 37 to 40 hours when conditions are so deplorable is certainly not the answer to their problem. We recognize, of course, that Britain is primarily an industrial nation, but even so if they could increase their exports they would be better able to import foods. On the Continent much of the trouble seems to be that people are not inclined to work, although we admit that bad weather was probably the biggest handicap this past year, and that the crop failures were largely due to conditions beyond man's control.

Primary receipts of wheat amounted to 2,654,000 bu. This compared with 2,988,000 bu last week and 1,678,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1,217,000 bu. We expect a reasonable increase again in the visible supply Monday. Last year there was a gain of about 2 million bu.

Markets were all very firm, although present prices were not quite maintained, and at present levels it is natural there should be profit-taking from time to time. There was unexpected moisture in northern Illinois and northern Indiana, and more is predicted in the five-day outlook that will probably cover Nebraska as well. The firmness in wheat was helpful to coarse grains, and sentiment continues rather bullish, even though the government is not bidding actively now for wheat, and PMA prices for flour are too low.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 2, 1947.

Present high prices for grain when translated to farmers' income tell the story rather vividly, and we now have the government figures for the first eight months of 1947, when the total cash receipts were $17.4 billion, which was a gain of 21% over the same months of 1946. If to this figure government payments are added, the showing would, of course, be even better. While this all spells great prosperity, it likewise brings to mind that we are going through a period of tremendous inflation, and almost everywhere one looks the story is the same, with higher wages, higher prices, and generally higher living costs. During the first six months of 1947, farmers of this country received 35% more from the sale of their products than in the same period last year, and of course, since food is such an important item as a part of our living, it naturally is being discussed by people in all walks of life. When new parity prices were published last Friday, a new high record was established of 235% of the 1910-14 average. This had more or less of a psychological effect on markets, and for the time being will not be a factor in the loan, but, of course, a continued rise would mean much higher loan values next summer. Therefore, there is no end yet to the spiral which started in 1933 when the Senate passed the Inflation Bill, which gave tremendous power to the President to influence prices. As far as producers are concerned, of course, their expenses have all risen too. Farm production costs have increased at a rate of about 9% a year since 1943. Purchases of livestock and the cost of fertilizers and meal were both up by more than 20%. Taxes, labor costs, and miscellaneous operating expenses were each 10% or more above 1945.

When our market opened this morning, there was some hesitancy. The great strength in corn on Saturday brought to mind that the present corn-hog ratio is slightly less than 10 to 1. Therefore, it does not present too encouraging a picture to farmers who feed. Likewise those who buy their feed and have to pay high labor costs may not carry on their activities to the same extent that they have in past years. Since a farmer can do so well by selling his corn, it stands to reason that marketings may be fairly large even based on a small crop. We recognize, of course, that while some improvement in weather has taken place, we still have to count on a crop failure at least comparing results with the past five years. Some people in the trade are even inclined to believe that this month's estimates may be somewhat smaller than the last official forecast.

Wheat prices were also sharply lower at the opening with one or two commission houses prominent on the selling side, and the buying rather scattered with the nearby positions both here and in the Southwest showing a rather easy tone, possibly influenced by the likelihood of more deliveries. This, however, will depend on the attitude of the Commodity Credit in its activities. For about a week or ten days now, they have been out of the market, and apparently have bought enough to take care of allocations through October. Therefore, any indifference on their part might temporarily have a bearish influence on prices but probably will not be lasting as they still have in mind the need for taking care of Europe, and in this respect we are the only country having a big surplus.

When the visible supply of wheat was posted it showed an increase of 4,157,000 bu, making total stocks in all positions 129 million bu, compared with 75.4 million bu last year. There was a slight increase in corn, and nearly 3 million bu increase in oats, all of which was about as expected. Chicago wheat stocks showed an increase of nearly 1 1/2 million bu, and now total 7.3 million bu.

Markets were rather indifferent until about half hour before the close, when suddenly word came from Kansas City that the CCC was willing to pay 2¢ over Kansas City December in store for wheat to be loaded during December. Their reentry into the market immediately stimulated buying, and apparently with some short covering prices easily recovered. There was likewise buying in corn and in oats, with little opposition so that early losses were wiped out. Trade on the whole was somewhat more quiet, and at times there was selling due to the fact that Britain was said to have cancelled grain that it might acquire through October allocations. In any case, Britain is no longer a big factor for the reason that last year our total exports of wheat and flour to that country were only about 30 million bu. The bulk of their supplies are coming from Canada.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 3, 1947.

Yesterday's action by CCC was somewhat of a departure from their previous policies. They merely expressed willingness to buy wheat at 2¢ over Kansas City December, and those who sold it were apparently satisfied with the premium, but in reality there were no futures bought, and, therefore, the contracting party to the sale had no hedge protection but would be dependent on the government's direction for the purchase of December wheat in Kansas City at some future date to complete these transactions. In other words, there was no flat price mentioned or established, and technically it placed CCC in position where it became short futures and would have to buy them in eitheron a decline, or in the eventof an advance it would mean that they would have to pay a higher price. We do not know yet how much business was put through. The market responded yesterday by advancing 3 to 4¢, and was strong again this morning; so the government actually boosted values without accomplishing much, and apparently on discovering that this was the case, they withdrew from the cash market this morning. As we understand it they now say they have no interest in anything, not even in adopting or following yesterday's policy for buying on a basis with price to be fixed later. The important thing in all these decisions is that higher prices are being established, and the government is becoming more cognizant that in order to buy 400 to 500 million bu wheat and flour, their transactions are so important that they are bound to influence our entire economy. But on the other hand they also feel obligated to take care of European requirements.

In view of the fact that Canada is not in position to offer much grain outside of the wheat that she has promised for British consumption, buyers who are unable to obtain American allocations will have to think more of going to Southern Hemisphere. It is still rather hopeful that if everything continues normally in Australia that country may have 100 million bu surplus, but nobody can be very sanguine about obtaining much wheat from the Argentine in view of the smaller acreage that has been sown. Reports from Europe continue to stress the unfavorable outlook. In some cases it is thought that farmers are even going to have considerable difficulty in finding sufficient feed for livestock during the winter months. Britain is mapping certain production goals for the future, and hopes to raise 60% more wheat in the next few years than in the pre-war period but somewhat less than in the peak year, 1943-44. We find that they have also raised their sights all along the line for such cereals as barley and oats, as well as for potatoes, as compared with production before the war, and apparently they recognize fully that their financial problems are making them more dependent on their domestic agriculture than ever before. Whether these increased goals can be reached remains to be seen, but at least it is all in the planning stage, and refers also to increases for sugar beets, milk, eggs, beef, and veal.

Primary receipts of wheat amounted to 3,507,000 bu. This compared with 2,369,000 bu last week and 2,435,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 478,000 bu.

Markets were all very strong. New highs were established for all grains, and there seems to be very little resistance; in fact, country pressure does not amount to much in spite of the fact that the movement up in the Northwest is now under way. Apparently, farmers feel that wheat prices will be as high this year as last, and, therefore, their attitude seems to be more or less one of holding, at least for the time being. Had the government purchased more heavily earlier in the season when the winter wheat movement was on in full force, of course, they would have done very much better. However, as we understand it, they were averse to laying in a large stock and paying storage on it, but considering that the price was 25 to 50¢ per bu lower, it would have paid them well had they been more aggressive earlier. Chances are that the visible supply will keep increasing for the next five or six weeks, but later on when inroads are made on our accumulations, it will be quite a different story. There was some profit-taking and best prices did not hold.

UHLMANN GRAIN CO.

[illegible] action [illegible] was so sweeping [illegible] days [illegible]
[illegible] They simply announced [illegible] to buy
[illegible] Kansas City December, and those who [illegible]
[illegible] ed with the pressure, but in reality [illegible]
, therefore, the commodities [illegible] in the [illegible]
[illegible] that would be dependent on the government's [illegible]

[illegible] sanctions. In other words, the [illegible]
established, and necessarily it placed [illegible]
short futures and would [illegible]
the creation of an [illegible]
[illegible] price. We do not [illegible]
market responded vigorously, [illegible]
[illegible]
equilibrium much, and apparently [illegible]
, they withdrew from [illegible]
and if they now buy [illegible]
[illegible] to be fixed later. [illegible]

flour, their transactions [illegible]

In view of the fact that [illegible]
grain outside of the [illegible]

[illegible] more or [illegible]
that if everywhere [illegible] in America [illegible]

[illegible] much [illegible] in view of [illegible]

[illegible] to have considered [illegible] difficulty [illegible]
without [illegible]
in each for the future, [illegible]

[illegible] as [illegible]
[illegible] to fully [illegible]
dependence on [illegible]

[illegible] to the position [illegible]
[illegible] oats, corn, and [illegible]
Primary receipts of wheat amounted to [illegible]
with 3,000,000 [illegible]
and [illegible]
[illegible] bu.

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 4, 1947.

Britain's Foreign Secretary, Mr. Ernest Bevin, suggested that we divide up the gold reserve which has been safeguarded carefully at Fort Knox to increase the purchasing power of the devastated areas of the world. His idea, however, did not meet with very popular approval from most citizens. Possibly some of us fail to realize that British buying with the aid of the loan and similar excess of foreign purchases have been instrumental in raising American prices, especially foodstuffs. Without this excessive foreign demand our prices might not be so far above parity, although, of course, it must be admitted that insofar as wheat and flour are concerned, the bulk of the shipments went to other European countries. It is difficult for the average American to fully understand the crisis in Britain, and the waste of the American loan and of other resources in such quick order. However, reducing working hours and the spending on unessential imports, neglecting essential reconstruction, placing business in straight-jackets, but refraining from the unpopular measures of labor control may be some of the reasons which have placed England in her present dilemma.

The trouble, however, goes far beyond that country, and Mr. Lovett's statement yesterday that the European economic crisis was developing faster than expected aroused considerable concern with respect to European food requirements. It is difficult to explain why the French hang on to an artificial exchange rate for the franc, which is more than double its actual market value. For one thing, they expected American prices to collapse, taking with them the French price level; then they could proceed with printing money, excepting at the same time to hold the franc at the artificial par. The difficulty is that none of these artificial remedies have worked out, and probably most of the damage was done to the world in missing the immediate post-war opportunities for stabilization. The time to enforce a reasonable peace was while most of the allied armies were still intact. Instead of that the productive capacity of Germany has been destroyed, and most of the other European countries have been drawing freely and somewhat recklessly on American resources.

When our market opened this morning there was some hesitancy in the corn pit, and we believe that the Galvin figures were eagerly awaited. When they were published at 10 o'clock, Chicago time, the corn production was estimated at 2,375 million bu, or a reduction of 62 million bu from the last government mid-monthly report. This was not construed too bullish, but yet when wheat prices staged further advances, there appeared to be a little greater confidence in corn and markets recovered their early losses. It still seems extremely difficult to appraise the corn crop due to variation in plant development, and possibly we shall not know the entire story until after harvest. Nevertheless, the feeding possibilities are only moderately favorable, and the corn-hog ratio this week was 9.9, although this was just as good as last week, and a little better than last year. However, feeding $2.50 corn to hogs always entails some dangers, and from all estimates we see there is going to be a reduction in the animal population, which in turn means smaller feeding, and probably higher meat prices to the consumer. It is also figured that the percapita consumption may be reduced to about 148 lbs per year, which, of course, would still be larger than the pre-war figure.

Primary receipts of wheat amounted to 2,225,000 bu compared with 2,859,000 bu last week, and 1,688,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 831,000 bu.

Markets were again very strong, new records being broken for all cereals, and it seems that most of the inspiration still comes from the possibility of exporting larger quantities than last year. In addition to this, there was a better flour business overnight, and while domestic users did not come into the market in vig volume, it seems that business was pretty well scattered around, and this necessitated covering of hedges. CCC was still not bidding either here or in the Southwest. This being the case there were fairly good wheat deliveries in Kansas City and here, and we should not be surprised to see some more tenders. Most of the wheat in Chicago has been taken by one commission house, but we believe that possibly there was some selling of September against sales of December at the same price; therefore, some of the wheat that has been circulating may not have found a final landing place yet. Corn was influenced by cooler temperatures and the possibility of some additional moisture over parts of the belt. This probably induced selling and best prices of the day were not maintained.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 5, 1947.

Large purchases of farm products for export continue to influence farmers' prices. It is pointed out by the Bureau of Agricultural Economics that in the first half of 1947, agricultural exports, including military shipments of food to foreign civilians, totaled $1,978 million. This is far above pre-war and somewhat above 1946. This is the reason that farmers' cash receipts have continued well above last year, and as we mentioned in one of our letters recently, for the first eight months they totaled $17.4 billion, which is about 21% greater than for the previous year. In addition to the various foods that we have shipped from these shores, we cleared nearly 2 million bales of cotton in the first six months of the year and 290 million lbs of tobacco.

When our market opened this morning it was somewhat influenced by rather general rains overnight in the corn belt. They were heaviest in northern Illinois, northern Indiana, and southern Wisconsin, and while probably too late to afford much relief, they should at least help the corn crop to some extent, and in many cases will revive pastures. Had we had this moisture earlier, it would have been a different story, but according to the official figures our production of corn, oats, barley, and sorghum grain are now expected to total 22% below 1946, and will be less than in any year since 1939. The supply of all feed concentrates for the 1947-48 feeding year is estimated at 12% below 1946-47, and smaller than in most other recent years. On a per-animal unit basis, the concentrates will be only slightly below average for the last ten years. While there are recessions in wheat from time to time, there seems to be a better flour business, and the removal of hedges both yesterday and today was a sustaining influence on several occasions. This came at a time when the CCC was still out of the market, and apparently they have not yet decided to make purchases either in the Southwest or here in Chicago.

Wherever we look in the world there seems to be an extremely close adjustment of food supplies, and the first official estimate of India's wheat crop is 330 million bu, which is a slight reduction from last year's harvest. An official estimate of the Argentine corn crop indicates a yield of 229 million bu, which is somewhat smaller than the preliminary forecast, and would compare with the five-year pre-war average of 302 million bu. Seeding of wheat is practically completed, and according to private observers no increase in acreage is likely. We doubt very much whether the wheat crop will exceed 175 million bu, which after taking into account home requirements and 40 million bu for Brazil, will leave only trifling quantities for Europe. The wheat and flour shipments continue small and only a little over a million bu cleared last week. Australian shipments have amounted to 48 million bu since their crop-year started. However, only about 5 million bu was destined to Europe, and the balance went to non-European countries. The 1947 wheat acreage is higher than last year, and if everything goes well, they should have a surplus well above 100 million bu. The Searle Grain Company report came out late yesterday estimating wheat production in the Prairies at only 316 million bu. This suggests a total Canadian crop of about 335 million bu, which is almost a failure, and will just cover home requirements of 175 million bu, and the 160 million bu contracted for sale to Britain.

Primary receipts of wheat were 2,328,000 bu compared with 2,654,000 bu last week, and 2,291,000 bu last year. Kansas City and Minneapolis stocks so far this week show an increase of 1,205,000bu. We expect a reasonably good increase in the visible supply on Monday. It will compare with last year's increase of 693,000 bu.

Markets were all very strong. Wheat futures scored new highs, and while there is some talk that export shipments may be reduced, there is nothing certain yet for the time being. Pressure from the country is small, and one would hardly know that the spring wheat movement is on because so little selling comes from that source.

Corn prices which were somewhat easier at the start, finally firmed up, and it seems that all foodstuffs are in very good demand. There was a big advance in the egg market, and forecasts are being made that retail prices may go to $1.00 per dozen this winter. This all seems to stimulate buying of grains, although from time to time there seems to be some profit taking so that our market keeps very liquid.

Deferred lard prices were up the permissible limit.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 8, 1947.

Now that Secretary of Agriculture Anderson has publicly stated it is evident that it will not be possible to ship as much grain as we did last year, it seems most likely that the whole grain question will be re-examined, and some course of action will have to be decided upon. There is pressure to restore government controls over the domestic use of food and feed grains to expand exports but this would require Congressional action, since the authority does no now exist for the administration to enforce such measure. There is said to be other schools of thought, which would let the crisis run its course, and eventually correct itself through the method of higher prices. Considering our domestic situation, some officials are now thinking in terms of exports totaling 12 million tons, which would be in the neighborhood of 450 million bu all grains, and compare with 567 million last year. Some think we can spare only 400 million for foreign relief this year. Somewhat over 100 million bu wheat and flour was exported from this country during the first two months of the crop-season, and provision has been made for allocations carrying through October, which might bring total clearances up to about 200 million bu. Meanwhile, the government has been buying practically no wheat or flour, as their price on the latter has been probably 50¢ below the current market value.

There has been no change in the outlook in Europe, and the demand is just as keen for food, although reports of corn and rice crops are optimistic, and Russia seems to have entered into an agreement with Poland to help out that country with 300,000 tons of grains. They, however, are off our list for allocations. Sixteen European countries, participating in the Paris Conference, plan to restore their native food production by 1951 to at least pre-war levels. As this is three years ahead, it seems likely that the burden will be on shipping countries for a while longer, except that extraordinary yields might be received meanwhile. Argentina this year has a very small acreage, and seems unlikely to raise more than 175 million bu wheat unless weather is exceptionally favorable. Australian conditions are good, and they may raise 220 million bu, which would be 100 million bu more than last year. The head of the Canacian Wheat Board has stated that Canada will not ship as much grain as they did last year because of their disappointing outturn. Also, he said crops in Eastern Canada are very poor, which will require more feed grain to be moved from the West to the East, He is also mindful that the world grain position is tighter than a year ago, and that only most careful husbanding of supplies by deficit countries would see them through another harvest.

Press articles state that there is buyer resistance to the high price of meat, and business had dropped off sharply, as the housewife seems more inclined to measure dollars spent rather than the pounds of meat to be purchased. Some cities reported 25 to 35% reduction in business, but it is pointed out that some extreme declines were noted during the very hot weather, and there has been some slight pick-up since then. There has been a marked improvement in the volume of lard trade with the advancing price, primarily becauseof anticipated lighter weights of hogs bringing less lard, and average weights in Chicago already have shown a noticeable decline. The feeding ratio is under what is considered normal, and also, the high grain prices make it less attractive for farmers to plan a full feeding program. This would refer both to cattle and hogs. Some authorities on meat believe that consumption will be down from this year's high level of 157 lbs per capita to about 147 lbs in 1948. As our feed supplies are considerably under a year ago, because of the large reduction in corn and oat crops, the feeding program will necessarily be smaller, but meanwhile as a forerunner, there is likely to be some liquidation of livestock.

The market was more two-sided today, as the statements from the Department of Agriculture have brought some consideration amongst traders, and also the fact that the Commodity Credit stays out of the market, as well as PMA indicating no move to increase their flour prices Meanwhile, their bids are 50¢ per hundred pounds below the current market. Continued mild weather brings with it the belief that more late corn will mature, although at best the crop will be a poor one.

The visible supply increased 6,671,000 wheat and the total is now 135 million, or nearly 60 million larger than last year. Chicago stocks increased for our principal grains, and we now have 8,712,000 bu wheat, 2,325,000 bu corn, and 4,200,000 bu oats in store.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 9, 1947.

The wheat market was rather weak yesterday, but apparently liquidation had run its course, despite the fact that the Commodity Credit Corporation was still out of the market, and they have not bought anything in several weeks, except possibly about half a million bu here in Chicago. It seems that ever since they purchased some wheat in the Southwest based on the Kansas City future, they have been extremely apathetic, and apparently did not want to follow the advances. As a matter of fact they are in a rather comfortable position at least to the extent that wheat requirements have been covered, not only through October but about 18 million bu for shipment beyond that date, so that possibly they will refrain from buying until they have to make arrangements for November and December shipments. There continues to be talk that instead of shipping over 500 million bu all grain, as was the case last year, the total for the current season may not be much over 400 million bu. Of course, that would make a tremendous difference.

A good deal of attention will be directed tomorrow to the government report on corn. Meantime, the BAE, in reviewing the feed situation claims that hot, dry weather in the Mid-West has substantially reduced prospects for feed concentrate supplies for the 1947-48 feeding season. Most seriously affected seems to be corn, and this is due to the fact that oats and barley crops were almost made before the dry spell occurred. A great deal of the damage, of course, occurred after mid-July. The last official estimate of 2,437 million bu showed a drop of 334 million bu from that estimated in mid-July, and it is about 851 million bu less than last year's record crop. In other words we are now facing the smallest production since 1936. Thus it is not surprising that the Department of Agriculture has become concerned, and in view of the fact that there may be some additional feeding of wheat, it is quite natural that we have to watch very carefully our export program, and apparently this is already being done.

Some people construe news of this kind bullish rather than bearish, and they point out that since we have to guard against a smaller carryover by reducing exports, there is nothing very bearish in such a situation. They also feel that while there is still time for rain to develop in the Southwest, up to now it has been extremely dry, and possibly we shall not have a full acreage planted, or at least if it is sown, the conditions are certainly less favorable than for a number of years at this particular date. There is probably another four to six weeks yet before one should express real alarm, but, nevertheless, the situation bears close watching. Today, there was considerable covering of short commitments in the July future, and while trade was not particularly heavy, this new crop month advanced 10¢ per bu, the full permissible limit for one day's trading. Naturally, this affected also other months.

The cash situation is not showing any particular gimp, and here in Chicago we have had a slight widening of the carrying charge from September to December, and the mills are not finding it too easy to do business, particularly since PMA is practically out of the market and a good many domestic users are buying from hand to mouth, hoping there will be some recession in price.

Primary receipts of wheat amounted to 3,420,000 bu compared with 6,077,000 bu last week for two days, and 2,709,000 bu last year. So far this week Kansas City and Minneapolis stocks show a total increase of 483,000 bu.

The thing that inspired public sentiment probably more than anything else today was an article appearing in the Wall Street Journal calling attention to the incessant demands from abroad for United States grain. It spoke of the possibility that bins would be scraped before another crop was at hand. Such a squeeze, according to some private experts, might create a price as high as $3.50 per bu for wheat It was said that a State Department economist was predicting that the Marshall Plan, if it develops, might push the price to $4.00 or better. This, of course, caught a great many shorts by surprise, and also had the effect of bringing new investment buying into the pits, with the result that new high prices were established for all cereals; a great many futures traded on the Board sold at the full permissible limits, due to the fact that outside pressure was very light, and even on the advance neither farmers nor country elevators were inclined to take advantage of the higher price level.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

September 10, 1947

The carryover feeling from yesterday was quite bullish. Yet there has been one or two denials from Washington claiming that authorities who were handling exports of grain were not reconciled to the possibility that wheat would sell for $4. Nevertheless, this magic price has been circulated in the grain trade, and regardless of whether anyone has or has not made such predictions, the fact of the matter is that the world demand for grain is greater than the supplies available. Furthermore, it is an impossible task to make accurate forecasts of wheat yields for next year. Fortunately there have been some rather scattered rains overnight in parts of Kansas and Oklahoma. They were heavier in Oklahoma than elsewhere, and amounted to .88 inch at Oklahoma City but, of course, it will take more moisture in order to get the crop off to a good start. It is probably a matter of four to six weeks yet before anybody should become too worried on that score, but at least we know at this time that the government hopes to have about 75 million acres seeded to both winter and spring wheat, which is the same as the 1947 acreage, exclusive of volunteer wheat. Should that goal be reached, and if we can assume that yields will be 16.3 bu to the acre, which was the average over a recent period, it would result in a crop of 1,220 million bu. We ourselves are not quite as optimistic as certain government officials in making this forecast at the present time, although we must admit that there is a possibility. If such a crop were obtained we would probably have to figure that with less corn available, we might feed more wheat, and the figure might run as high as 350 million bu compared with about 190 million bu, which was fed last crop season. This, however, leaves smaller quantities to be exported, and thus the situation for another year or two suggests the possibility of very high prices. If we should raise only a billion bushels, which used to be considered very large, then, of course, the situation would be considerably worse. We do, however, figure that producers will seed as much as they can in view of present high prices, but yet it is highly unlikely that for many years we shall reach a total production of 1,428 million bu, such as occurred this season.

All reports from Europe continue on the pessimistic side. Today the Italian government has sent an urgent appeal asking for more grain to the governments of Argentina and the United States. Generally speaking, European conditions, excluding Soviet Russia, are poorer than last year, with production about 10% smaller, but even this is substantially below pre-war average. Prospects are the worst in Western Europe, which include several countries, to which the United States has exported sizeable quantities of grain during the past year. In Asia the crop is quite close to the 1946 level, but here again prospects are not favorable in areas which have received significant quantities of United States wheat during 1946-47.

CCC was still out of the market, and while the various offices continue to entertain offers, they have not indicated any definite price basis at which they would be interested. The August grain exports have been announced, and we have cleared 67.4 million bu grain and grain products during this one month. Of course, this also covers some pre-shipments that will be applied against September allocations. It is a foregone conclusion that we shall not be able to keep going on this basis, and we believe that the government is already fully cognizant that we are going to have to revise earlier goals, which, of course, is disappointing at a time when our Secretary of State, General Marshall, is trying to get Congressional approval to carry on European aid. That there is an urgent need for food and fuel is not being disputed by anyone.

Primary receipts of wheat amounted to 1,952,000 bu compared with 3,507,000 bu last week, and 1,611,000 bu last year. Minneapolis and Kansas City stocks so far this week show a total increase of 840,000 bu.

There was again heavy buying in all pits, and a very large volume of trade, particularly during the first hour. Markets, however, were extremely orderly; there was a good deal of selling so that the best prices did not hold. It is generally stated at Washington that our grain exports must be maintained at no less than one million tons per month, and in some quarters we hear that to have the distribution equally divided some drastic controls are being considered. The CCC yesterday advanced its buying price on the Pacific Coast by 6¢ per bu. This represents an extreme advance of 15¢ per bu in the past week. Apparently this was done to halt any eastbound movement of grain, and it has been stated that otherwise CCC might have remained out of the market. As we said earlier, they seem to have no immediate interest here.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

September 10, 1947

The carryover feeling from yesterday was quite bullish. Yet there has been one or two denials from Washington claiming that authorities who were handling exports of grain were not reconciled to the possibility that wheat would sell for $4. Nevertheless, this magic price has been circulated in the grain trade, and regardless of whether anyone has or has not made such predictions, the fact of the matter is that the world demand for grain is greater than the supplies available. Furthermore, it is an impossible task to make accurate forecasts of wheat yields for next year. Fortunately there have been some rather scattered rains overnight in parts of Kansas and Oklahoma. They were heavier in Oklahoma than elsewhere, and amounted to .88 inch at Oklahoma City but, of course, it will take more moisture in order to get the crop off to a good start. It is probably a matter of four to six weeks yet before anybody should become too worried on that score, but at least we know at this time that the government hopes to have about 75 million acres seeded to both winter and spring wheat, which is the same as the 1947 acreage, exclusive of volunteer wheat. Should that goal be reached, and if we can assume that yields will be 16.3 bu to the acre, which was the average over a recent period, it would result in a crop of 1,220 million bu. We ourselves are not quite as optimistic as certain government officials in making this forecast at the present time, although we must admit that there is a possibility. If such a crop were obtained we would probably have to figure that with less corn available, we might feed more wheat, and the figure might run as high as 350 million bu compared with about 190 million bu, which was fed last crop season. This, however, leaves smaller quantities to be exported, and thus the situation for another year or two suggests the possibility of very high prices. If we should raise only a billion bushels, which used to be considered very large, then, of course, the situation would be considerably worse. We do, however, figure that producers will seed as much as they can in view of present high prices, but yet it is highly unlikely that for many years we shall reach a total production of 1,428 million bu, such as occurred this season.

All reports from Europe continue on the pessimistic side. Today the Italian government has sent an urgent appeal asking for more grain to the governments of Argentina and the United States. Generally speaking, European conditions, excluding Soviet Russia, are poorer than last year, with production about 10% smaller, but even this is substantially below pre-war average. Prospects are the worst in Western Europe, which include several countries, to which the United States has exported sizeable quantities of grain during the past year. In Asia the crop is quite close to the 1946 level, but here again prospects are not favorable in areas which have received significant quantities of United States wheat during 1946-47.

CCC was still out of the market, and while the various offices continue to entertain offers, they have not indicated any definite price basis at which they would be interested. The August grain exports have been announced, and we have cleared 67.4 million bu grain and grain products during this one month. Of course, this also covers some pre-shipments that will be applied against September allocations. It is a foregone conclusion that we shall not be able to keep going on this basis, and we believe that the government is already fully cognizant that we are going to have to revise earlier goals, which, of course, is disappointing at a time when our Secretary of State, General Marshall, is trying to get Congressional approval to carry on European aid. That there is an urgent need for food and fuel is not being disputed by anyone.

Primary receipts of wheat amounted to 1,952,000 bu compared with 3,507,000 bu last week, and 1,611,000 bu last year. Minneapolis and Kansas City stocks so far this week show a total increase of 840,000 bu.

There was again heavy buying in all pits, and a very large volume of trade, particularly during the first hour. Markets, however, were extremely orderly; there was a good deal of selling so that the best prices did not hold. It is generally stated at Washington that our grain exports must be maintained at no less than one million tons per month, and in some quarters we hear that to have the distribution equally divided some drastic controls are being considered. The CCC yesterday advanced its buying price on the Pacific Coast by 6 per bu. This represents an extreme advance of 15¢ per bu in the past week. Apparently this was done to halt any eastbound movement of grain, and it has been stated that otherwise CCC might have remained out of the market. As we said earlier, they seem to have no immediate interest here.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 11, 1947.

After the close of the market yesterday, the Crop Reporting Board furnished the trade with its ideas on the production of various grains, as of September 1st. Most interest centered in corn, and the yield was estimated at 2,404 million bu compared with 2,660 million bu a month earlier, and 2,639 million bu the ten-year average. Small as this crop seems, and particularly the comparison with last year when we raised 3,288 million bu, it was construed as somewhat bearish owing to the fact that the prospect was for slightly more corn than had been privately forecast, and, of course, in this business everything is comparative. There can be little doubt that feeding operations will have to be materially curtailed, even though we shall probably carry over 300 to 350 million bu into the next crop season. Therefore, when early selling had spent its force, there were some sharp reactions, particularly as wheat flutuations were rather violent at times, and new high prices on the crop were registered. There was no fresh estimate on the winter wheat crop, nor will there be one until December. However, spring wheat was reduced about 20 million bu, and the total crop now stands at 1,408 million bu, which is still an all-time record. The trade, however, is paying more attention to the export possibilities, and it now looks reasonably certain that General Marshall will ask the President to call a special session of Congress in order to take up vital European food problems. This very likely had some influence during the past few days, and despite the fact that the Department of Agriculture admitted that the cutback in grains may have serious repercussions on the export program, most people still believe that conditions in Europe are so bad that we may again reduce our carryover reserve to very small quantities by next summer.

Whether we have learned from our past experience how dangerous this is, in view of the fact that the corn crop turned out to be a failure and that the same might happen to wheat remains to be seen. In any case humanitarian considerations are apparently receiving first consideration, but sometimes we wonder whether Europe would not attempt to help herself more if she were warned that the help from this side had to be more limited. Those on relief would undoubtedly strain every effort to keep going if they were made to recognize their own self-dependency. The great trouble in Europe seems to be that nobody wants to work, and while the 40-hour week is more pleasant than the more tedious hours, yet the devastation of corn has been so great that it takes harder labor than ever before to bring people out of the present chaotic condition. Another bad feature abroad is that when prices are held artificially low consumption is not sufficiently curtailed, and black markets that have sprung up have created an unequal distribution benefiting only those who are willing to disregard normal law and order.

The overnight weather was very good, with rains reported both in the corn belt and in our Southwest. The forecast is also for further precipitation east of the Mississippi River, with somewhat lower temperatures.

Primary receipts of wheat amounted to 3,010,000 bu compared with 2,225,000 bu last week, and 2,405,000 bu last year. Minneapolis and Kansas City stocks so far this week show a total increase of 869,000 bu.

There was some hesitancy when our market opened; in fact, liquidation for a time carried both wheat and corn prices lower, but there were quick recoveries, and it is difficult to explain the erratic fluctuations which we had during today's session. When prices were still reasonably high, Senator Flanders urged that the exchanges raise margins on grain to 100% of the value of the crop. This brought some selling into the various pits, but we ourselves believe that it is not margins nor speculation that is causing the present high level of prices. As far as margins are concerned, most houses are calling adequate amounts to safeguard themselves and their customers. The basic reason for the advance is that we are virtually the only country in the world that has a big surplus. Even with the largest wheat crop ever raised, we have to temper our opinions because a crop failure in corn is certainly a partial offset. Everyone knows that without the big export demand, markets would be very much lower, but yet the suffering abroad is such that we cannot turn deaf ears to the many demands for help during this emergency.

UHLMANN GRAIN CO.

CHICAGO, Sept. 11, 1944.

[illegible] pleted the grain with [illegible] as of September 1st. [illegible] was estimated [illegible] much earlier, and 2,000 million [illegible] crop money, and [illegible] we raised 3,288 million [illegible] been previously recorded, and [illegible] is conservative. [illegible] will have [illegible] carry over [illegible]

[illegible]

[illegible] nobody would do [illegible]

[illegible]

[illegible]

There [illegible]

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

September 12, 1947

According to news from Washington, there is considerable alarm about rising food costs, and some talk that American consumers may be asked to tighten belts in order to avoid further starvation abroad. Government officials agree with the grain trade that the greatest saving that could be affected would be in cutting down our feeding to livestock, and as we have pointed out so often in the past, it takes about 7 pounds of grain and forage to produce a pound of meat. This is the reason that the Asiatics, with seven times the population of North America, can get along with only twice as much grain because they eat more starches and less meat. Had the rest of the world been as extravagant in the usage of meat as we have been during the past two years, there never would have been enough grain raised to go around. There is also some talk that wartime controls on meats and grains should be revived, and various officials have likewise stated that they want less white flour in bread, curbs on whiskey and beer-making, being convinced that the pinch on our grain stocks next winter will be far more severe than is now realized. They say that another 50 million bu wheat and corn disappeared in this month's crop report due to bad weather. Whether we shall finally export as much as we had planned early remains to be seen. About the only talk now is that the State Department has notified officials in foreign countries that we shall have at least 10% less grain available for export this year than in 1946. However, even such a cut would not be sufficient in our opinion, since last year total shipments of wheat and grain products amounted to about 567 million bu.

When our market opened this morning, it was influenced by these considerations, and also higher margins, which had been voted by the Board of Directors at their meeting yesterday. There was no particular surprise here because most of the commission houses were already calling as much as the prescribed minimum that goes into effect tomorrow. However, there was sufficient liquidation by eleventh-hour bulls to give us quite a setback at a time when new buying was not too urgent. We still believe that there are quite a few people who have big profits, and who are holding their position on the theory that wheat in particular has intrinsic merit, and that it should sell just as high as last year sometime during the crop-season. Regardless of what we want to do we cannot overlook the fact that European requirements are far greater than the available supplies in the surplus countries. We, therefore, continue of the belief that our carryover reserve next July will be reduced to rather small proportions.

There was some nice moisture reported rather generally over the corn belt, and while it may be too late to help the corn crop materially, nevertheless it revives pastures, and consequently is a hopeful sign. There were also some showers in the Southwest, but many districts still complain of dry conditions, which for the time being may retard seeding operations. However, there was as much as 2 inches of rain at Springfield, Missouri, and Fort Worth received over 2 inches of rainfall, so that one can at least feel that there has been some relief, and over the greater part of the important wheat areas, it will be another four weeks yet before there should be any fear of alarm.

Primary receipts of wheat amounted to 2,614,000 bu compared with 2,328,000 bu last week, and 2,007,000 bu last year. Kansas City and Minneapolis stocks so far this week show an increase of slightly over 1 million bu. When the visible supply is posted on Monday it will compare with an increase last year of 4,254,000 bu.

We understand that the country is just a little more willing to sell, and has been inquiring for bids, apparently the break in the market influencing their views. However, hedging pressure was not heavy, but there was some discouragement when the French Ambassador at Washington told reporters that France before long may decrease even the essential imports, including wheat, fats, and oils.

The grain markets were not the only ones to lose ground, as there was considerable pressure in eggs, lard, cottonseed oil, and other markets. At one time we had a small rally here when a broadtape dispatch spoke of Mexico being in the market for 4 million bu of wheat for shipment between now and the end of the year. However, as we understand it, the futures were bought many months past, and so it does not involve any lifting of hedges to cover this sale. Final prices were lower in all pits, and it is quite likely that the reaction may occur more frequently.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

September 15, 1947

A sub-committee of the Senate is opening hearings today in Providence, Rhode Island on the study of consumer prices, and will apparently concentrate on attempting to seek the facts on food and clothing prices. Two other groups will open hearings in the near future in Central and Western States. It is contemplated that a full report will be presented to Congress next February, although meanwhile the committee's economic advisors have issued a report which holds no hope for an immediate decline in food prices, pointing out the short corn crop and its effect on wheat prices, as well as the character and size of our grain commitments to be made for foreign aid. Another factor mentioned was that high employment has caused an increase in demand. A great deal of pressure is being brought to bear through the press and over the radio to prevent the heavy feeding of wheat and the voluntary reduction on part of the public of certain feeds. While trial balloons are being sent up regarding the return of price controls and the return of rationing, at the moment there is nothing to indicate anything except a volunteer rationing. Under-Secretary Dodd stated that the people of the United States must cut down their eating of meat, eggs, butter and milk, in order to save grain for Europe and Asia. As to reducing exports, Secretary of Agriculture Anderson stated over the radio that we will have to reduce our exports, and apparently certain members of the State Department have informed foreign representatives that we would not be able to ship within 10% of last year's quantity.

In glancing over wheat supplies Broomhall states there will be a substantial surplus of wheat in the United States, Canada, Argentine, Australia and Russia, totaling about 845 million bu, but on the other hand, this is not sufficient for the huge world demand estimated at a minimum of 927 million bu. However, Broomhall suggests that substitutes can take the place in some instances, and the scarcity of dollars will check imports in many European countries. He points out that no one is likely to get all the supplies desired, but with careful economy and better crops in India and North Africa next spring, the situation may not be too critical during this season. All those connected with the grain trade fully realize the urgent demands of the world for food, but we do not believe that the objective of supplying other countries can be obtained by artificial means, such as the return of price control, rationing, etc. In countries where such methods have been adopted, black markets are rampant, and in this country we certainly should remember conditions that existed, with corn being diverted to black markets, and with premiums and bartering of goods. Price ceilings as a rule give an unnatural feeling of security, but do not prevent the consumer from paying considerably higher prices through the black markets and otherwise for desired supplies.

Reports from Southern Hemisphere are a little more favorable than those from Europe. The USDA predicts Australia's crop will be about 200 million bu, or 70% more than 1946, although Argentina's acreage is down about 13%.

After the close of the market on Friday, the second official estimate of the Canadian crop was issued and was somewhat better than anticipated by the trade. It indicated the yield of all wheat at about 352 million bus, or approximately 6 million bus less than the August report, and this compares to a final yield last year of approximately 421 million bus.

When the visible supply was posted this morning, wheat stocks showed an increase of 1,895,000 bus and now total 137,579,000, or an increase of a year ago of slightly over 57 million bus. Chicago stocks increased 214,000 bus and now total 8,498,000 bus. Primary receipts of wheat today were 3,239,000, which compares with 4,001,000 bus last week and 2,847,000 bus on the comparable day of last year.

When our market opened this morning, it was somewhat stimulated by a report of the possibility of light scattered frost tonight in the northern and central sections of Wisconsin and Minnesota. While temperatures have dropped rather sharply the past 24 hours, our own weatherman does not look for any frost through the corn belt area. Trading in all pits was somewhat on a more subdued basis today but commission houses seemed to be the best buyers. The CCC still remains on the sidelines. While they will accept offers prices are considerably out of line although last week the CCC reduced its buying price on the Pacific Coast 5¢ per bu, where they have more nearly followed the market. Canada lifted war-time price controls from everything except sugar, meat wheat, fats, dried fruits, iron, steel and tin. Oats are still subject to export permit control.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 16, 1947.

High prices for food have caused agitation from housewives and people with more or less fixed incomes. They have also brought comment from some of our top officials at Washington, who appreciate that the needs from Europe are great, and if these are fully met it will require some sacrifice in our domestic diet. Yesterday, Mr. Harriman, Secretary of Commerce, said that Americans must decide whether they will eat less meat to reduce the amount of feeding at home, because only in that way can we take care of Europe's hungry people. He pointed out that with a smaller corn crop, if we turn to wheat as a source of animal food, there will finally not be enough surplus to supply western Europe with its minimum needs. Mr. Dodd, Under-Secretary of Agriculture, also called attention to the fact that consumers must trim their buying of meat, poultry, and dairy products. But most of these statements were construed somewhat bullish, at least to the extent that it emphasized the close adjustment between supply and demand.

Many people have been feeling for some time that by next spring this would be reflected in a very high level of prices, and no doubt some of the speculation has been based on these fears. Another factor this morning was a request from the Commodity Exchange Authority to increase margins in order to lessen the danger of "a boom and bust" situation. Mr. Mehl pointed out that the government does not have the power to increase margin requirements, but that it can only recommend changes. The present margins are said to be about 16% for wheat and a little higher for corn, and apparently the government has in mind that initial margins for all speculative transactions should be about double the present figure. In our opinion, margins should only be sufficiently high to safeguard all interests using the market. In other words, margins should not be raised or lowered in an effort to influence prices. As we view the situation parity for wheat on August 15th was $2.08 on the farm. The government generally figures, at least for loan purposes, a freight differential of about 25¢ per bu between country points and Chicago. If this is the case it would mean that parity in Chicago would be nominally about $2.33 per bu. In view of the fact that our minimum margins on wheat are now 45¢ per bu, one can readily understand that if any purchases are made around prevailing levels the customer is fully protected, at least to the point of parity. The government is virtually committed to support the market at that level, and in view of the fact that Europeans are starving, we are fully satisfied that there probably cannot be any drastic declines to below parity levels. Therefore, it occurs to us that while a good many commission houses are already calling margins higher than the prescribed minimum, to increase margins again might have repercussions not intended at this time. It might drive some of the smaller speculators out of the market, and this would be unfortunate since this class of people often are responsible for a good deal of liquidity in our market; they afford a chance to hedgers to easily fill their orders without much sacrifice. If we are correct in this assumption, raising margins unduly at this time would not bring about the desired results. It might give us much wider fluctuations, but in the final analysis would probably not have much influence in bringing about greater safety. As for prices, we have never yet believed that either a high or a low margin was much of a factor.

Primary receipts of wheat were 3 1/2 million bu, slightly exceeding last week, and compare with 2,873,000 last year. Stocks so far this week in Minneapolis and Kansas City show an increase of 412,000 bu.

Markets were weakest during the first hour of trade, and there was some liquidation which is always natural after such rapid advances as were experienced lately. However, the trade was not particularly heavy, and after mid-session word came from the Northwest that the government had probably bought fair amounts of spring wheat for export. We understand that they were paying the full market, and this suggests that even though they have not shown much anxiety to buy in Chicago or in Kansas City lately, they may confine their efforts for the next few weeks to the spring wheat country, where the movement is now on. This had the tendency of creating comparative firmness at Minneapolis, and finally influenced us, so that we had fair recoveries from early breaks

Corn and oats likewise reacted. There is still no particular pressure from the country. The overnight weather was construed as somewhat more favorable, no frosts occurred; in fact, temperatures were reasonably moderate, and it looks as though there might be some moisture during the next 24 hours, so there is not the same concern from that source as there was early yesterday.

UHLMANN GRAIN CO.

High prices for food have caused [illegible]
[illegible] with more or less fixed incomes. [illegible] move [illegible]
from some of our top officials at Washington, [illegible]
needs from here are great, and if these are [illegible]
[illegible] some sacrifice in our domestic [illegible].
[illegible] Secretary of Commerce, said that [illegible]
[illegible] eat less meat to reduce the amount of food [illegible]
[illegible] is that way can we take care of [illegible]
that with a smaller corn crop, if we fight [illegible]
[illegible] food, there will [illegible]
[illegible] with its minimum needs. Mr. [illegible]
[illegible] also called attention to the fact that [illegible]
[illegible] considered somewhat [illegible]
[illegible] closer adjustment between supply and demand.

[illegible] would be reflected in a very high level of [illegible]
[illegible] of the [illegible] has been based on [illegible]

[illegible] in order to [illegible]
[illegible] Mr. [illegible] pointed out that the [illegible]
[illegible] to increase [illegible] requirements, but there is [illegible]

[illegible]

[illegible]

[illegible] were used during the latter part of [illegible]
[illegible] liquidation which is always [illegible]
[illegible] labor. However, [illegible]
[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 17, 1947

The crop news from Europe, as we get it from Broomhall, is just a little more encouraging than heretofore. Harvesting is proceeding under ideal conditions, and this authority feels that the deficit compared with a year ago may be less serious than expected. The latest Ministry of Agriculture report in Britain suggests that England and Wales alone may have a wheat harvest of about 5 1/2 million bu less than last year. On the Continent the worst reports are still coming from France. The official estimate of wheat production has been reduced to the extraordinary figure of 120 million bu, which is considerably less than half the pre-war average. However, reports from other countries are not quite so pessimistic, although probably total European wheat crops will be smaller than in 1946. So far Hungary, Germany, Yugoslavia, and Poland are the only countries which have raised a higher yield. Broomhall, the greatest of all international statisticians, has been asked to review some of the figures on imports and exports, and his provisional estimate for 1947-48 is that the surplus countries, comprising Canada, the United States, Argentina, Australia, and possibly Russia, will be able to furnish about 850 million bu wheat against minimum import requirements of 928 million bu, and a possible maximum figure of 1,131 million bu. This, of course, is on the assumption that no serious setbacks are experienced in the Southern Hemisphere, but it also calls to mind that there is no opportunity of building up stocks abroad. For two seasons now the world has been living on current production, and the danger of being continuously at the mercy of successful harvests is too obvious to be emphasized. As Broomhall further points out, making due allowance for shortages of fertilizers, manpower, and machinery in war-devastated Europe, the yields per acre have measured up well to pre-war years.

One of our friends in this country, who farms extensively, points out that in his opinion the world would be better off at the moment if grains went materially higher. He admits that this is a rather horrible statement, but due to the fact that livestock prices are abnormally high, he says that it is still possible to feed grains to livestock profitably. The result is that grain is being fed to livestock to a greater extent than the present world food situation justifies. He goes on to say that actually in a starving world, the consumption of meat in the United States is materially above the 1935-39 level, which was certainly an amply high level. Certainly few people in this country would claim that our pre-war meat consumption made an under-nourished nation out of us. He figures that we simply must export sufficient cereal grains to Europe to improve their diet above last year or else face a total collapse of Europe. In his opinion the Congressional investigators, who are in Europe now, are agreeing upon that point. A man who has 1,500 calories a day cannot mine much coal, nor be very effective in any other industry. The drought in our corn belt which took place this summer is a real world tragedy. Generally speaking, farmers will not suffer, because the price advance is as great as their loss in yield. As a matter of fact many farmers are ashamed and embarrassed, according to our farmer friend, because prices now are so high. He tells us that they would much rather have collected less total money from a big crop at a decent price. They, of course, are not the cause of the high prices, nor are speculators, nor is the Board of Trade. The cause, which everybody must know if he has studied conditions, is the world shortage of food.

Markets opened on a rather even keel but shortly afterwards there was a good deal of liquidation and no particular reason attributed to this except that possibly traders are becoming a little more hesitant owing to the fact that consumers' resistance to high prices is increasing. Housewives everywhere are talking about food costs, and with the possibility that a special session of Congress may be called later on with investigations already taking place, naturally this tempers some of the thinking. However, the government is actually in the market buying wheat in the Northwest and rather large quantities were purchased again today, according to reports we are getting. The CCC also purchased some wheat through its Chicago office but we understand that this was cheap wheat, stored in Ohio and we have not heard of any actual business in this market, nor of any at Kansas City.

May oats led the advance on talk that the government was buying. However, there is no confirmation that purchases either here or in the Northwest have been made. If they would buy some rolled oats or products similar to that it would probably be handled through their Washington office.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 18, 1947.

Food constitutes such an important part of the average person's spending that no politician nor economist can overlook its effect upon our standard of living. The housewife is incensed over the continued rise in prices, even of the essentials, to such a degree that this question is now receiving first attention. Our exports of grain, flour, and grain products, which last year amounted to 567 million bu, were a tremendous help in alleviating the starving conditions abroad. As we have pointed out repeatedly, our shipments of wheat and flour last season were about half of all that was furnished by all of the exporting countries. We had hoped that with the bumper wheat crop we might be able to do nearly as well this year, even though our carryover reserve had been reduced to 83 million bu. We had a total wheat supply on July 1st of nearly 1 1/2 billion bu, which probably would have enabled us to continue our generous policy except for the fact that the corn crop since then has deteriorated, and is now estimated to be about 900 million bu smaller than in 1946.

The trade has thought for some time that our monthly grain shipments were at a rate far too large to be good for the domestic economy, and we believe that Washington has finally recognized that this is the case. We are not speaking solely of reports recently circulated by various Congressmen and Senators, but we have more in mind the statement made by Mr. Anderson, Secretary of Agriculture, that he will submit a report to a meeting of the Cabinet Food Committee Monday calling attention to the fact that chiefly because of the prospective short corn crop we cannot possibly meet all foreign demands which are being made upon us. On basis of present production figures, Mr. Anderson feels this country can supply not more than 400 million bu of grain and grain products this crop year. Of this quantity, wheat and flour should not exceed 350 million bu, with the remainder being made up of oats and grain sorghums, and a small quantity of corn already shipped.

This was further confirmed and emphasized when late yesterday November grain allocations were published, which showed a 35% reduction from the previous month. According to this program we shall ship 29 1/2 million bu of wheat, flour and grain sorghums during November. This compares with 45.6 million in October, and about 50 million bu each during July and August. It is also interesting to note that the cumulative quotas from July through November, or for a period of five months, including the revision to date, and the June 30th carryovers, total 253.2 million bu; breaking this up further, it consists of 133.4 million bu of wheat as whole grain, 74.5 million bu of wheat in the form of flour, and 45.3 million bu of other grains. Thus, it can readily be seen that we have gone reasonably far on basis of the revised schedule. This probably accounts for the fact that the recent purchases by CCC have been on a greatly diminished scale.

Primary receipts of wheat amounted to 2,750,000 bu compared with 3,010,000 last week, and 2,733,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 725,000 bu.

When our market opened today, there was a lot of urgent selling induced by the complete change of attitude on part of the Agricultural Department, and the fact that November allocations showed a sharp decline was construed quite bearish. First prices for both wheat and corn were down the full permissible limits but later on buying orders came into the pits and we had a reasonably good trade. It is still pointed out that the cut in November allocations cannot be construed as an index to what may occur in later months. Washington stressed that this is as good a time as any to slow up the shipments to Europe because now European crops are available for home needs. However, Washington is desirous of inducing foreign claimants to intensify the collections from their farmers. Many people feel that in the final analysis the State Department may insist on sending more abroad than is presently scheduled. This, of course, makes the markets rather two-sided and is responsible for wide fluctuations that are taking place. The same is more or less true of corn, while the oat market was reasonably firm even when other cereals were very depressed.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 19, 1947

The Board of Directors at their meeting yesterday deferred action on margins pending a conference with Mr. Anderson, Secretary of Agriculture and Mr. Mehl, Administrator of CEA. The purpose of such a conference is an attempt to reach a mutual understanding concerning the functions and usages of margins in grain futures transactions.

Next Sunday, September 21st, marks the 25th year that Commodity Exchanges have been under federal regulation. Much has been done during this period of one-quarter century, and we believe that the exchanges have faithfully demonstrated their ability to handle themselves and to earn public recognition for the duties and functions that they have undertaken. For nearly 100 years, in any hour of any business day, in war or in peace, in prosperity or in panic, grain could be sold on the Chicago Board of Trade at a market value which was known to all men. It is difficult to fully appraise the value of a continuous market to a man who has something to sell. It is impossible to state it in definite terms. However, the man who has been called on suddenly to sell a team of horses, or a house and lot, or a farm-- things for which there are no organized exchanges-- can doubtless appreciate both the promptness and the definiteness of organized exchange prices. We appreciate that many accusations have been made against organized exchanges and speculators, and particularly so in recent weeks, that they are the cause of high prices. It seems to us that it would be well to point out that actually the futures market has lagged behind the cash market. for approximately a year. The cash grain market has been from 6 to as much as 20¢ higher than the futures market. For instance, a week or ten days ago oats were being sold in Iowa from one farmer to another for $1.25 a bu, which was quite a little higher than any future had reached. Likewise our wheat prices have been very much cheaper here than in many of the other surplus countries. Even in the Argentine at present, where more is raised than can be consumed at home, the government is asking more than $5 per bu, and apparently is obtaining it. As one of our friends points out, "Whatever scarcities there are today, they do not include the supplies of economic illiteracy, political quackery, and downright humbug available in the world's high places. Any Freshman student of economics could easily point out their fallacies. *** We in the United States have every post-war disease plaguing the rest of the world, but because we are stronger we have a milder case."

Actual grain news was a little more bearish this morning. The five-day weather outlook does not indicate any frosts for the corn belt, and apparently the recent warm weather has been extremely good for the best development of the crop. The Department of Agriculture in discussing maturity as of September 12th, figures that more than half the crop now is safe from frost. Therefore, a good deal will be out of danger if severe weather is averted for another week or ten days. As for wheat, the Modern Miller reported that seeding is now progressing over a wide area, especially in advanced sections of the West and Southwest, where some of the early-sown wheat is already up and making good progress. Some sections have an adequate supply of surface moisture, but elsewhere it is too dry and plowing is delayed, but the official forecast indicates some relief by Saturday or Sunday, with the possibility of 1/2 inch rain for northern Nebraska and 1 to 3 inches in southeastern Missouri. Reports from the Argentine were also more favorable, with the drought in that country broken. Conditions are not too good for wheat, although rains will undoubtedly bring some improvement. According to Broomhall, there is a serious locust threat which may hurt the corn crop later on.

On July 26, 1947, a House Sub-Committee, investigating shortages of food and other agricultural products, had this to say: "The Secretary of Agriculture has stated that the government intends to purchase between 500 million and 600 million bu wheat and other grains for export during the present crop year. In view of the critical situation with the corn crop, the committee recommends that those in charge of exports of grain proceed with a great deal of caution until the size and quality of the corn crop has been determined. It is felt that any curtailment in the export of wheat can, to some extent, be offset by exporting substantial quantities of other foods in more plentiful supply, including surplus canned fruits and vegetables and frozen poultry now in storage stocks." Had this advice been heeded earlier, we might have averted the sharp advance and the subsequent break. All grains were weak today, closing down the limit.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 22, 1947.

Today is witnessing a debate in Washington between the State Department and Agriculture. Mr. Anderson is prepared to tell the Cabinet Food Committee that the wheat and flour exports must not exceed 350 million bu in the coming year. He will also state that if extra food for Europe's hungry peoples is needed that it must come primarily from other foods which are in over-supply. He has already plunged, according to reports, into a series of conferences with the Department of Agriculture's top commodity experts. This conservative policy is quite a departure from the early goal in which they figured that almost as much total grain could be shipped abroad as last year when the figure was about 567 million bu. Of course, in the present calculations, probably 50 million bu grain other than wheat and flour will be cleared, but a good part of this has already been accounted for, and, therefore, will not have to be taken from the present feed supplies which have already been greatly reduced owing to the smaller corn crop. On the other hand, Mr. Marshall will tell his side of the story, and officials of the State Department have maintained over the week-end that there is no change in the basic belief that the United States must maintain all-out food exports to Western European countries in order to win the "cold war" with Russia. Ex-President Hoover, against his doctor's wishes, also spoke before a large audience in New York, pointing out that the hungry areas of Europe are facing a grim year. His talk was factual and not emotional, but he alluded to the world harvest of 1947, which he believed was as small as that of 1945, blaming the failure of agriculture's recovery in Europe and Asia to the droughts in many parts of the world and the disappointing crop of American corn. Said Mr. Hoover, "If large areas of the world are to be saved from mass starvation, American farmers must resist the natural tendency to feed wheat to animals when coarse grain feed is scarce."

This very likely was responsible for the higher opening this morning, although there were other matters which came to the foreground: notably, the change in weather with frosts reported in eastern South Dakota, northern Iowa, northern Wisconsin, also Minnesota, and North Dakota. The frost got as far South as LaCrosse, Wis., and the temperature at Spencer, Iowa, dropped to 30 degrees. The latter is in the northwest part of the State . How much damage will result is still a question, but in any event corn prices, which were down the limit Saturday were sharply higher, with the May future this morning advancing 8¢ per bu at the opening, although readjusting later in relation to other months.

While much is still hoped for maintaining parity, farmers' purchasing power, as well as for keeping a proper relationship of wages to commodities by those in lower income tax brackets, it still seems that those whose incomes are greater cannot hope to maintain their previous standard of living. For example, with higher federal taxes than we had in 1939, and higher costs for goods, a man with an income of $7,500 in 1939 would have to receive $15,809 in 1947 to have the same purchasing power. Likewise, a $10,000 income in 1939 would have to be increased to $22,483 to maintain a full parity relationship. Going a little further a $25,000 income in 1939 would have to be $93,111 at present to maintain the same standard of living. Obviously, even with better business and with greater prosperity, no such increases in income have been possible.

Primary receipts of wheat amounted to 3,766,000 bu compared with 3,239,000 bu last week, and 2,011,000 bu last year. The visible supply of wheat increased only 894,000 bu; however, total stocks are 138 1/2 million bu, which is 56 million bu more than was on hand last year. Chicago wheat stocks decreased 1 million bu, leaving 7 1/2 million bu here.

Trade in wheat was rather active, higher prices were maintained throughout the session, and it seems that the CCC bought 1 1/2 million bu in the Southwest Saturday. It also looked as though they might have bought further quantities today had we not run into higher prices, but for the moment they seem unwilling to follow advances. Three days of declining markets have apparently improved the technical situation, and the trade is now waiting to see what agreements have been reached between Secretary Anderson and General Marshall. No announcement will be made until after the President has had an opportunity to study the joint report, and we hear that a decision has been reached; Secretary Marshall at the conclusion of the meeting stated that he was delighted with the results.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 23, 1947.

The carryover feeling from yesterday was somewhat bullish. There was no further word from Washington as to what the administration had decided with respect to our export program for the current season, but all indications point to a compromise between the Department of Agriculture and the Department of State. Yesterday's meetings were apparently harmonious, and in view of the fact that Mr. Anderson had talked of shipping only 350 million bu wheat and flour to Europe, and with Gen. Marshall being fully cognizant of the tremendous requirements from abroad, we can come to no other conclusion. It is generally figured that about 450 million bu all grain will be cleared during this crop-year, which, of course, includes flour. In view of the fact that about 50 million bu feed grain, including sorghum, is taken into account in the program, or may have been purchased already when corn was in more plentiful supply leads us to believe that we shall probably not ship more than about 400 million bu wheat and flour. It seems quite likely that our domestic feeding operations will be stepped up considerably as compared with last year, and possibly 315 million bu will be thus consumed. In addition to the quantities just referred to, we must figure that 510 million bu wheat will be used at home for food purposes, 87 million bu for seed, and about 5 million bu for industrial purposes, so that if these calculations are about correct, we should be in position to add to our carryover supply by next July.

The overnight weather was not as unfavorable as had been expected. Frosts in eastern Iowa failed to materialize, and while there were light frosts in parts of Illinois, they apparently were not of a killing nature, and the forecast is for somewhat higher temperatures by tomorrow. The five-day weather forecast indicates temperatures slightly below normal but nothing serious, although for the Southwest hardly any precipitation is expected, and it is getting late enough in the season now so that very shortly there will be some concern unless the soil is put into better shape for seeding. There has been scattered relief but the main areas of Kansas are still very dry. On the whole we are not starting off nearly as well as we did last year. CCC is in the market from time to time, and it is now stated that allocations through November have about been covered. This puts them in a rather comforatable position, although we believe that on any recessions they would probably try to acquire more grain, particularly if it is accessible to ports.

This, of cource, is always a stimulating factor, and has probably been responsible for firmness in December as compared with the later months. There seems to be less inducement right now to buy corn and a good many people who had felt friendly to this cereal are apparently liquidating their lines to go into wheat. Shortly before midsession, when the corn market became so weak, it had a sympathetic influence on the leading cereal, where early in the session shorts had covered and the reactions were quite abrupt.

Primary receipts of wheat amounted to 3,319,000 bu compared with 3,566,000 bu last week, and 3,595,000 bu last year. In these calculations Wichita is missing today. Kansas City and Minneapolis stocks so far this week show a net increase of about 249,000 bu.

Trade in wheat was quite active, and this could only be regarded as a strong market today in view of the great weakness in corn. However, the movement of wheat from the country is light, pressure from first hands is small, and with some milling business right along it seems that daily offerings are well taken. It is rather difficult to say just what reason can be attributed to the selling of corn except that the price is high. Bookings from the country were very heavy --about 1/2 million bu, but we do not believe this is general selling at the moment as most of the receiving houses had little to report. It may have been something special, but in any case it created a very bearish sentiment and new buyers were not inclined to take hold very aggressively. The market, however, was nervous, and liquidation was just moderate .

UHLMANN GRAIN CO.

DAILY MARKET LETTER

[illegible]

141 W. JACKSON BLVD.

CHICAGO, [illegible] 23, 1942.

The carryover feeling from yesterday was [illegible]. [illegible] was no further word [illegible] as to what the [illegible] had decided with respect to our export [illegible], but all indications point to a [illegible] the [illegible] of Agriculture and the [illegible] of [illegible]. [illegible] expected, [illegible] the [illegible] balance of only [illegible] 390 million [illegible] wheat [illegible] (con. [illegible] all [illegible] fully [illegible] of the [illegible] from abroad, we can come to no other conclusion. It [illegible] figured that about [illegible] million bu. [illegible] will be [illegible].

[illegible] that about 90 million [illegible] feed [illegible] grains, [illegible] in the [illegible] was in [illegible] that we [illegible] not [illegible] than about [illegible] wheat and flour. [illegible] quite likely, that our domestic [illegible] consider[illegible] [illegible] year, and [illegible] will be [illegible]. In addition [illegible] figure that 910 million [illegible] purposes, 80 million [illegible] for [illegible] million [illegible] purposes, so that if [illegible] should be in position to [illegible]. The [illegible] [illegible]cted. [illegible] in [illegible] light frosts in parts of Illinois, [illegible] and the [illegible] [illegible] below normal [illegible] precipitation is expected, [illegible].

[illegible] of course, is [illegible] for [illegible] months. [illegible] a good many people who had [illegible] liquidating their [illegible] when the corn market [illegible] or the leading [illegible] covered and [illegible].

Primary receipts of wheat amounted to [illegible] compared [illegible],565,000 in last week, and [illegible] last year. [illegible] Wichita is [illegible] today. [illegible]

Trade in wheat was quite active, and this could only be [illegible]ded as a strong market today in view of the [illegible] [illegible] of wheat from the country is light, [illegible] is small, and with [illegible] millers, [illegible] offerings are well taken. It is [illegible] can be attributed to the [illegible] is high. [illegible] from the country [illegible]

[illegible] the receiving [illegible] special, but in any [illegible] and new buyers were not [illegible], however, was nervous, [illegible]

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 24, 1947.

The Board of Trade and speculators are being attacked from all sides owing to the fact that prices have risen considerably, and in some cases this is done for political reasons, but it may also be due to a misconception on part of those who do not fully understand what is taking place in the central markets of this country. It is perfectly obvious to anyone who studies the export program that if we ship more than we can afford, we shall have scarcity prices, the same as we had last year when wheat went above $3 per bu, and we finally ended up with a wheat carryover of only 83 million bu compared with 235 million bu, the ten-year average. The House Sub-Committee investigated food shortages, weighing the facts carefully, and on July 26th stated that, "Government purchase of grain is the dominating factor establishing cash and future prices in the grain markets of the United States." They also said, "The action of the Commodity Credit Corporation in purchasing such huge quantities of wheat over such short periods of time tended to dry up the available supply of wheat at or arriving at terminal markets. Millers and others were forced to bid up the price of wheat to obtain sufficient supplies to fill flour orders."

There is little room for doubt that should the grain exchanges be abolished or be curtailed because of government intervention, the business would be very rapidly centralized in the hands of a few powerful people, or else entirely under federal control. They alone would be the buyers. They would declare the margins on which the farmers grain would be handled, as, indeed, was the case before the exchanges in this country were organized, and is the case in other countries that are entirely under government control. At the present time, speculators by the thousands, who live all the way from New York to San Francisco, and from Winnipeg to the Gulf of Mexico, not to speak of those in foreign lands who in peacetime do business in this country, form the nucleus of a trade too widely scattered and too independent to be controlled. At least this is the case so long as the market remains free and open to them. It has always been a fact that the many small men curbed the few big ones. These various attacks which are now being made upon Exchanges destroy general confidence, and cause erratic and wide fluctuations. We often think what a pity it is that our legislators are not more familiar with the functions of the marketing system, because if they were they would doubtless be more sympathetic with our problems and could cooperate better toward a proper understanding of the farmer's requirements.

Here, we have the greatest grain market in the world, and yet few people realize the low handling cost of getting grain from the producer to the consumer. It is lower than the cost of moving any other standard food product. Some years ago when prices were depressed in years of heavy production, the Board of Trade was likewise blamed for manipulation, but it should be understood that the Board as a Corporation does no trading. It merely furnishes a place to trade, and during the past century has performed a wonderful service to the public. Because of our hedging facilities the banks have always loaned almost the full amount of the value on warehouse receipts. As one banker pointed out, there were periods when high class stocks and bonds, and even government bonds, could not readily be sold, but he never saw the time when a warehouse receipt covering grain which was properly hedged on an organized exchange was not readily accepted by the banks as collateral against loans.

Primary receipt of wheat were somewhat smaller, amounting to 1,742,000 bu compared with 2,101,000 bu last week, but only 1,200,000 last year. Kansas City and Minneapolis stocks so far this week show a net increase of 280,000 bu.

Markets opened rather weak, and there was no particular news, except that confidence was shaken and buying power was limited on the decline. However, there was some buying which looked very much as though it might have been lifting of hedges against sales to the CCC. Yesterday's purchases in the Southwest amounted to nearly 1 1/2 million bu. Corn broke sharply, in spite of frosts in northern Minnesota, and the forecast is for more to come rather generally over many parts of the main belt.

As far as corn is concerned, we believe the present price of the May future suggests that farmers next spring will receive less than $2.00 on the farm. Having had a taste of high prices for several years now when crops were much larger, we regard the yellow cereal as being definitely in a more sound position, particularly after the recent liquidation, which has improved the technical situation. All grains staged a good rally.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 September 25, 1947

The news from Washington is responsible for most of the wide fluctuations that we are experiencing in markets at the present time. First of all, the trade has known for a week or so that the Commodity Exchange Authority has been desirous of higher margins for grain, amounting to one-third of its value. On wheat this would be, roughly, 90¢ per bu, but it is also stated that the maintenance margin should be held at 20% of the value of the grain, which at the present price of wheat amounts to more than 50¢ per bu. As we have pointed out repeatedly, the government has no authority to deal directly with margins, but, of course, may always make suggestions to the various exchanges. A good many people fail to realize that there is a vast difference between grain margins and stock margins. In securities, if a trader puts up 100% deposit, he at least collects the dividends, but this is not so with respect to wheat or corn. Neither does the government have a parity price for U. S. Steel nor for Chrysler, but under the Steagall Act there are established loans on basic commodities, and by and large, there is really no similarity between the two except that they fluctuate and both are traded on an organized exchange where the public is safeguarded through rules and regulations that have been established over a long period of time. The only margins that have ever been called on grain are those that have been deemed necessary to safeguard the public interest, and both the Directors of the Board of Trade and the Governors of the Clearing House have this matter continually under consideration with impartial committies and trustworthy accountants counseling them from time to time as conditions change or become more hazardous.

Everyone was waiting this morning for some word from President Truman on the probable exports of grain during the coming season. Obviously, this is the most important factor for consideration. If European crops had been normal and our shipments had been nominal, thegovernment would probably be supporting prices right now through loans and other devices rather than worrying about high price levels. The chances are that there will be nothing definite from Washington until after the President has consulted further with his advisers, but in the meantime we are told that he has been informed that we could safely spare 400 million bu wheat and flour for export, and 70 million bu all other grain. This would be a reduction of about 100 million bu in the total grains from last year, comprising almost entirely feed grains. The suggestion of the Cabinet Committee if carried out would indicate a carryover of about 165 million bu on June 30, 1948. We arrive at this in the following manner: Our crop and carryover of whea last July was 1,492 million bu. The government is estimating 510 million bu for food, 87 million bu for seed, 5 million bu for industrial purposes, and tentatively 325 million bu for feed. Thus there will be 565 million bu surplus, from which indicated exports would leave us with a reserve stock of 165 million bu. As most of our readers know, the amount of wheat fed to animals last season was 190 million bu, and nobody can state definitely whether 325 million bu is too much or too little, although from present indications, with a short corn crop, it appears to be a rather conservative estimate.

Primary receipts of wheat amounted to 2,901,000 bu compared with 2,750,000 bu last week and 2,039,000 bu last year. Kansas City and Minneapolis stocks so far this week whow a net increaseof 368,000 bu.

Markets were again very nervous for the reason that traders were uncertain as to the immediate expressions from Washington on various matters. As to the economic situation there could be little doubt.. If we cut our reserve stock of wheat at the end of the season to 165 million bu, it will be some improvement over last year but still small in view of the larger population, and the possibility of a poorer crop next summer. After early weakness, the undertone in all pits was somewhat firmer. In corn there was likewise improvement, although the predicted frosts failed to materialize and not much freezing weather seems to be in sight.

UHLMANN GRAIN COMPANY

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 26, 1947.

President Truman yesterday appealed to the Nation to waste less food in order to conserve our resources and help the emergency relief program to head off a threatened famine in Western Europe. He feels that if the public would cooperate, this country could help Europe without hurting its own economy. He did not intimate that he favored a return to food rationing or price controls, but did suggest that he might ask the country to go to two meatless days a week in order to cut down on the use of grain for livestock feed. His Food Committee extimated, on basis of present crop and carryover, 400 million bu wheat and wheat equivalent will be available for shipment abroad. The report further allows 510 million bu for domestic food, 350 million bu for feed, 87 million bu for seed and other purposes. If the above quantities were used the carryover on next June 30th would amount to 147 million bu. They figure in addition 70 million bu of coarse grains for export. While the estimated carryover of 147 million bu will be an increase over a year ago, it would put our supplies in very close balance, particularly in view of the fact that so far this fall the Southwest, which produces our largest crop, has been suffering from the effects of a drought, and the large yields of the past few years may not be a possibility in the new-crop year to come. Unless the outturn in Europe, Argentina, Canada, and other parts of the world is greatly increased, a more serious situation could face this country and the world in 1948.

Sanford Evans, reporting on European conditions, states that the Department of Commerce of Australia estimates their crop may well exceed 220 million bu, ~~which would compare with 116-1/2 million bu-~~, which would compare with 116 1/2 million bu harvested last year, and approximately 154 million bu in the 1934-38 average. Broomhall estimates that not less than 50 million bu will be available for Britain, and even thinks that if the crop turns out as favorably as indicated, from 75 to 85 million bu could be sent to the United Kingdom. Broomhall also reports that the preliminary forecast of the winter wheat crop in Italy is 170 million bu againsta final outturn of 225 million last year, and that under the circumstances imports of 110 million bu wheat or substitutes will be needed to carry on the economy of that country. From August1st to September 18th, shipments of wheat and flour from Canada, the United States, Argentina, and Australia total 129,921,000 bu, an increase of 42 million bu over the same perid last year, with the United States having furnished approximately 141 million bu from July 1st through September 19th.

A meeting is being held today by the members of the three largest grain exchanges and the Department of Agriculture on the subject of margins. The outcome of the meeting will probably not be known until later in the day. We have expressed ourselves during the past week regarding our feelings in the matter, but unfortunately a great deal of notoriety has been given in the press and on the radio, also by representatives in Washington, that speculation in the Chicago market has accounted for much of the increase in food prices. This sentiment may be strong enough to cause restrictive measures, such as unduly high margins. Should such be the case we feel that this will finally prove a great detriment to the welfare of the exchanges, in turn to the producers, and to the handlers of grain products. As one writer states, "The organized exchanges come closer to providing a democratic means of price-making than any system yet devised. The hedging services they afford the farmer and industry have been of inestimable value to the entire country."

Primary receipts of wheat, with Wichita missing, totaled 2,984,000 compared with 2,409,000 last week, and 2,682,000 bu last year. So far this week stocks of wheat at Minneapolis and Kansas City show a total increase of 506,275 bu. When the visible is posted on Monday it will compare with a decrease last year of 3,896,000 bu.

All grains were stimulated at the opening by frost reports received in northern sections of Iowa, Illinois, and Indiana, with temperatures dropping to 26 and 28 degrees at Spencer and Mason City, Iowa. As to what damage this early frost has done to the crop, probably will not be evidenced until final harvest returns are given. However, there was a report received by one firm, claiming that their representative had inspected a lot of corn fields in Iowa, and that yields were being much underestimated. However, this report was issued before the low temperatures were registered last night. The PMA flour price was advanced 30¢ per cwt at the Gulf, but many mills claim that the price is still unattractive, and that there was not alarge volume reported booked. Trading was of a little lighter character today, and best quotations were not maintained.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 29, 1947.

It is quite obvious from all the discussions that have taken place in Washington that the higher margins that have been urged upon the grain trade from various sources are not solely for the purpose of guaranteeing safety for the performance of contracts made on this Exchange. This naturally is contrary to any thinking that we have had here because in the past margins were called only in order to protect the public, the commission houses, and the Clearing House. The variable margin plan, which was adopted today by the Board of Directors of the Chicago Board of Trade, was mainly for the purpose of showing our good faith to those who may not understand markets and the way they function. It is an indication of our willingness to reduce apprehension in the public mind during an inflationary period when the world is starving, and when tremendous quantities of grain must be purchased over here by our government to take care of the suffering in Europe.

Today's conferences at the White House are for the purpose of establishing how much grain and foodstuffs we are in position to ship without bringing about an acute situation at home. It has already been hinted that if Western Europe's food needs are to be met, we shall probably have to reduce the amount of wheat that might have been fed to livestock from a possible 400 million bu to about 250 million bu. The group, which is known more formally as the Harriman Committee, is looking into the question of acquiring substantial stocks of government wheat now before it is thus fed. Possibly a high price at this time will being about some of these adjustments, particularly if the CCC or other agencies start an aggressive buying program for export, and apparently it is the thinking in Washington that this is going to be initiated at once in the event that wheat would not be available next spring when it may be most needed.

Talk of launching such an aggressive grain purchasing program has already brought about an immediate price advance because inevitably such heavy purchases cannot be made without influencing prices, and this refers not only to wheat, but likewise to other commodities. Virtually all cash grains at the present time are commanding a premium over futures. This situation may be further aggravated when and if government purchasing for food procurement becomes extended. This likewise is apt to create a greater demand for cash grains, particularly on part of domestic mills, which will have to compete with buyers that may be acting for government account. Thus it is anyone's guess at the present time now much we shall finally export, but tentatively, at least, there is some talk that clearances of wheat and flour may amount to 500 million bu in addition to the 70 million bu feed and coarse grains previously scheduled. On this basis, we are apt to have a very small carryover by July 1, 1948, unless in the meantime feeding supplies are curtailed through high prices. Undoubtedly consideration will be given immediately to other types of controls, including a smaller bread loaf, an increase in the flour extraction, and return of restrictions on grain for alcohol. From our own observation the re-imposition of direct controls, (and by this we mean price and rationing controls) will not be dealt with in the present crisis even if Congress were inclined to consider them.

When the visible supply of wheat was posted, there was an increase of 603,000 bu, and the total now in all positions amounts to 139 million bu, which is about 60 1/2 million bu greater than a year ago. At Chicago, however, wheat stocks decreased 591,000 bu, leaving slightly less than 7 million bu here. The total corn visible increased slightly but total stocks are only 6 3/4 million bu, although this is roughly 2 million bu more than for the same period last year.

Naturally with all the discussions at Washington as to how much we can spare, prices were higher, and after mid-session practically all markets went up the full permissible limit for one day's session It seems rather far-fetched to think that if we are going to export to the extent of our ability that we can at the same time keep prices down any more than when we had hoped to raise wages without influencing the price of the manufactured article. These matters are causing great concern, and we presume that until some definite program is outlined, it will be very difficult to have very strong convictions as to how far the price of cereals will extend.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Sept. 30, 1947.

Nobody can tell for sure whether the President will call a special session of Congress, but the chances are that nothing will be done until late November. In the meantime politics are being forgotten, and Mr. Truman is receiving bi-partisan backing for his plan to keep Europe alive insofar as we are able to lend aid from this side. The emergency aid is so large in scope that the chances are it probably scares even certain members of the Department of Agriculture who had been thinking in terms of safety rather than in the large and extreme figures now being mentioned by the Harriman Committee and by others co-operating with the Department of State. When Mr.Anderson returned from New Mexico a few days ago, he had hoped that the wheat shipments would not exceed 350 million bu.

Wisely he came to such a decision because a policy such as we pursued last year in reducing our reserve stock at the end of the season to 83 million bu is certainly taking a great risk before it is definitely established that the next crop will be substantially above home requirements. In a country as large as ours we venture the opinion that the carryover of wheat should be sufficient to take care of three months' consumption, and in ordinary times this is generally the case. When our population was smaller, a figure of 120 million bu was sufficient, and in fact, when the carryover reached a larger figure of about 200 million, it was sometimes burdensome. However, in those days we were not the important factor in taking care of most of the European requirements. Last year we furnished half the wheat that was exported by all the surplus countries, and it looks very much as though we would have to do the same thing this year, particularly since the Canadian crop has been drastically reduced, and our northern neighbor has just about enough for home needs and the quantities promised to Britain. On the other hand, there is no reason why Canada should carry over as much wheat as we do, and their reserve stock on August 1st was 84 million bu, which is probably too much based on a population of only 12 million persons. Later on, Australia will be quite a factor, and barring any serious setbacks, she is likely to emerge once again as an important shipper of wheat.

However, the prospective Argentine role is dubious at present, and particularly with political complications. The crop is not starting out too well, although moderate rains over the past two weeks covered most of the grain-producing areas, it relieved a drought which had persisted for many weeks and had threatened to cause serious losses. The main factor, however, is dissatisfaction over government policies. As a result there has been some curtailment of acreage, although unfavorable weather at seeding time must not be entirely forgotten,but as Broomhall puts it, discontent seems to be the major cause. Even if a large crop were gathered we presume that with the price the farmer obtained being so small in comparison with the export price, a good deal of wheat would be held back on the farms, either fed or wasted. This, in our opinion, is something that our State Department should look into immediately, particularly when Europe is in such dire need for help. We understand that France will maintain its bread rationing, and with the wheat crop in that country only half of normal, even reasonable imports cannot help too much. We have already granted supplemental export allocations for wheat for nearby loading. This grain is bound for Belgium, India, Switzerland, and Norway. However, conditions everywhere in Europe seem to be bad, and it is only a matter of degree.

Primary receipts of wheat amounted to 3,366,000 bu compared with 3,319,000 bu last week, and 3,222,000 last year. Kansas City and Minneapolis stocks so far this week show a net increase of 137,000 bu.

Trade in wheat was quite active. The carryover feeling from yesterday was bullish, and the fact that some unfilled orders were probably executed this morning gave us a higher market. Another contributing factor was business presumably to the CCC. From what we were told there must have been quite a little spring wheat purchased by this governmental agency in the Northwest. Early in the session Minneapolis told us that buying in that market apparently represented covering of hedges both to fix the price on previous sales, and also new business with Commodity. In spite of all this, however, enough profit-taking came into the pit, so that we had some rather sharp reactions, and very likely the high price is making traders somewhat more cautious. There was a little freer selling from the country, at least, we had word of this from both the Southwest and spring wheat territories.

When reactions set in, as just mentioned, corn and oats were also affected. We are still convinced that there can be no cheap level of prices with a hungry world crying for food. UHLMANN GRAIN CO.

edy can tell for sure whether the President did [illegible]
ion of Congress, but the chances are that nothing will [illegible]
ll late November. In the meantime [illegible]

alive insofar as we are sure to find all there [illegible]

thinking in terms of scarcity rather than in the large and [illegible]

exceed 350 million bu.

to 60 million bu. is [illegible]

requirements. In a country as large as ours [illegible]
that the carryover of wheat should be sufficient to take care of
three months' consumption, and in [illegible]
. When our population was smaller, [illegible]

requirements. Last year we furnished [illegible]
would have to do the same this year, particularly since the
crop has been disastrously [illegible], and our northern neighbor

as much wheat as we do, [illegible]

carrying any surplus [illegible]
an important exporter of wheat.

However, this [illegible]
d particularly [illegible] political complications. [illegible]

most of the [illegible] areas, [illegible]

a result there has been some [illegible]

crop were gathered [illegible]

when the wheat crop in that country only half of normal, even

export [illegible] for wheat [illegible]
for [illegible], Italy, Switzerland, and Norway. However, [illegible]
[illegible] a matter of [illegible].
Friday [illegible] amounted to [illegible]
[illegible] last year, and [illegible] 2,000 last year. [illegible]

, and the fact that unfilled orders were

give a little [illegible]

a sales, [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 1, 1947

The carryover feeling from yesterday was somewhat bearish. The fact that the country had sold wheat more freely was probably a factor in bringing some pressure into markets, but this morning we were told that farmers were reluctant in following the decline; so apparently this was only a temporary affair. The important consideration is still the amount of wheat we are going to ship abroad, and even now before this is definitely determined, there seems to be considerable business each day by Commodity Credit Corporation, which is naturally a sustaining influence. We doubt whether sales to this governmental agency today were as heavy as yesterday, but still there was some business both Northwest and Southwest, and while futures have not in all cases been covered, it shows an urgency in buying operations which can never be ignored.

President Truman apparently is cognizant of the price situation at home, and that if the advances continue, our American standard of living will be impaired. On the other hand the demands from Europe are tremendous, and he has called the situation in Western Europe "critical," in the various letters sent to Chairmen of House and Senate Committees on Appropriations and Foreign Affairs. The balance between a moderately ample supply of wheat at the end of the crop season and an extremely short one is close enough to create great concern, and even scares in the minds of the grain trade. For the moment the President has upheld a tentative figure of 470 million bu all grains to be shipped. This apparently is the amount which the Department of Agriculture figures we can spare based on present known facts. It would comprise 400 million bu wheat and flour, and 70 million bu feed grains, although included in the latter is a fair amount of corn which has already cleared. In virtually the same breath, however, the President urged the American people to conserve bread at home in order to make available an additional 100 million bu that we may send to Europe next spring in the event that it is possible to do so.

Thus we do not know any more than we did before, except that there is an inclination to export as much as is humanly possible. In many respects the situation now is not far different from what it was in the late period of World War I and the days that followed. Possibly we have forgotten, but about six months after the United States became involved in the first World War, people were asked to observe wheatless Wednesdays. Early in 1918, there were two voluntary wheatless days per week, and at least one wheatless meal per day. It is difficult to tell just to what extent people will respond to voluntary rationing requests. However, a good deal of wheat could be saved if we fed less to animals, and this in our opinion is the really important factor, which should be decided at once. Few of us realize that on an average, every man, woman, and child is eating about 10 lbs more meat per year than he did just before the war, and this despite high prices. North America feeds a larger proportion of its grain to livestock than any other country. Surprisingly enough about 40% of the world's grain is used as seed or is fed to livestock. In Asia about 14% of its production is thus consumed, and we feel that somewhere along the line we might find a happy medium in order to protect those who are starving without making such very great sacrifices here at home.

Primary receipts of wheat today amounted to 1,386,000 bu vs 1,742,000 last week, and 1,713,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 33,186 bu.

After early liquidation the technical position of the market was improved, and with the covering of hedges apparently against government business, we had some very substantial rallies. The CCC reported that their purchases in Kansas City yesterday amounted to about 2 1/2 million bu. Adding to this the amount purchased in Chicago and in the Northwest there was a total of about 5 million bu, which is certainly a large quantity for one single day. This may also have been responsible for the change of sentiment, and with less pressure from the country we had very strong markets during the last half hour of the session, with everything closing practically at the day's best prices.

Corn sympathized also. The Iowa State report was construed rather favorably, and apparently the frosts had not done as much damage as had been feared when they occurred.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 2, 1947

Few people realize that the American people are eating better than they have ever done before, and the average per capita consumption of meat is about 155 lbs per year compared with 135 lbs pre-war, and 123 lbs per person going somewhat further back. Total meat production this year, according to the government, will probably be about the same as last year, or 23 billion lbs (dressed meat basis), which in itself does not mean a great deal to most people, but yet it is about one-third larger than in the five years prior to the war. Despite the large meat output for the month, animal prices set new records in September, and, of course, the new high levels of consumer incomes are creating this strong demand for better foods. Thus the consumer in the United States will spend the largest amount of money for meat in the history of the country during this year, but this again is natural because individual and family incomes this year are by far the greatest on record. Despite the requests for self-rationing, the government economists figure that the consumption of meat will continue high through the remainder of 1947. It has also been established by consumer-purchase studies that not only does the demand for meat increase as people have more money in their pockets, but that the demand for meat increases more in proportion than for other foods. Thus we are now spending a greater percentage of our incomes for meat than in any year, at least since 1934.

We mention all this because it takes, roughly, 7 lbs of grain and forage to produce a pound of meat, and, therefore, the indirect consumption of grain is very much larger than the "man on the street" appreciates. For bread purposes alone, we are consuming about 4 1/2 bu wheat per person per year. This, however, is only a small part of the story. Every man, woman, and child will consume about 35 bu of the various grains that have been raised during this crop-season, and we sometimes forget that when we sit down to a meal and eat bacon and eggs it involves a very large quantity of grain, whereas the same quantity if consumed in the form of bread or biscuits would go very much further. With most Frenchmen living on a rationed diet, it is quite obvious that we in this country should make some sacrifices to take care of the needy abroad. French farmers are not willing to surrender wheat at prices fixed by the government, and this is one of the main reasons that the urban population is suffering, and, incidentally, is casting its many votes for radical legislation. Whether our help will do much except for humanitarian purposes, is still a question in the minds of many Americans. There is even some doubt whether additional food imported from the surplus countries will have much effect on national loyalties and alignments.

The Department of Agriculture today announced the state wheat goals for 1948, totaling 75,095,000 acres; there is a little variance from the national goals announced July 1, and an increase over what was set for 1947, but nearly the same as the '47 indicated plantings, including volunteer wheat. Whether this goal can be reached will depend a good deal on weather conditions in the Southwest the next three or four weeks. Dry weather still prevails, and at the moment fields are dry and not in the best shape for fall planting.

The CCC announced yesterday that they had purchased 274,000 bu of wheat in Chicago, 2,121,000 bu in Minneapolis, and 705,000 bu in Kansas City, or a total of 3,100,000 bu. We do not believe this includes the amount bought on a basis for which the price has not yet been set. However, the price-fixing is quite a market factor, and during today's session several times on weak spots large-scale buying was in evidence, which was attributed to price fixing. During the session a message was received from Minneapolis stating that the CCC was not buying anything today, but if wheat were offered at a fixed price they would probably take it. Premiums in Minneapolis have been running considerably higher than in Kansas City. Purchases of the CCC remains the dominant factor in the market.

While strength was expressed during the major part of today's trade, toward the close markets were subject to sinking spells, which at one time carried wheat down the permissible limit on the thought in some quarters that the CCC might have by now obtained most of their commitments for 1947, and that possibly they would be out of the market by the end of the week. There was no confirmation of this; should it prove to be true it might lead to some further readjustment, but at some period they will finally have to purchase additional quantities to meet the goal for the balance of the crop year. Whether or not we finally export 400 million or 500 million in the present plight of Europe, it is almost a foregone conclusion that we will export every bushel which can be safely spared from our carryover after weighing prospects for next year.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Oct. 3, 1947.

The sharp break which took place yesterday was occasioned by a rumor that the heavy buying of wheat by CCC would end tomorrow owing to the fact that all allocations had been covered through December. This should not have been such a great surprise, as we had previously heard that purchases had been sufficient to carry the program to the end of November. In the last few days they have bought tremendous quantities both Northwest and Southwest, and the chances are that they have enough now to take care of the first six months of the crop season. As a matter of fact, Secretary Anderson confirmed this statement today, and added that the Department was not contemplating buying any unusual quantities of grain for the balance of this month, but did disclose further that flour purchases were considered sufficient to carry them through November, and from this we judge that additional acquisitions will be made from time to time.

However, one must use his imagination in this business and search for the real facts in connection with the movement of grain in an effort to find out whether it is not easier to make purchases at the beginning of the season than later on when wheat in particular has moved to the interior and is then not readily accessible to the various ports for shipment. We have mentioned on many occasions that in ordinary times 70% of our clearances occur during the first six months of the crop-year: namely, from July to January. We also call attention to the fact that the wheat accumulations which start taking place in June generally reach their peak by the end of October, or at least before the close of navigation. From that time onward, the farmer does not sell as heavily, and if the export shipments are large, it means that we have to draw on our reserves at terminals and this is exactly what took place last year until finally we reduced our visible supply and reserve stock to a dangerously low level. Even now it is intimated that top officials at Washington are considering building up a stockpile of some 50 million bu, fearful that next January or February they may have greater trouble in procuring grain. The big debate continues as to whether we are going to hold our total shipments of wheat, flour, and feedstuffs to 470 million bu, or whether the State, Commerce, and War Departments will win out, so that our clearances may finally reach the 570 million-bu mark. Mr.Anderson, in pursuing a conservative course, wants to go rather slowly until it can be determined whether the larger export goal can be fulfilled without affecting our domestic economy. Apparently this question will be discussed again with the President, and if the State Department succeeds in winning approbation for its program, he wants to be freed from any responsibility. He calls attention to the fact that we should maintain a year-end reserve of at least 140 million bu in the event of a short crop.

In a general way weather has not been very propitious, and we shall need a good deal of moisture if we are going to get an average crop next summer. The five-day weather outlook for Kansas, Nebraska, Oklahoma, and Missouri is not particularly good, as only light precipitation is forecast. Probably the rain will not average over 1/4 inch, and what is urgently needed now is a good, soaking rain, not only to accomplish seeding, but also for the purpose of building up subsoil reserves, which have become depleted.

Yesterday's purchases of wheat by CCC amounted to 2,635,000 bu at Kansas City, 693,000 bu at Chicago, and 1,405,000 bu in the Northwest, making total purchases 4,733,000 bu. We are convinced that there was further business this morning, which was somewhat of a sustaining influence.

Primary receipts of wheat amounted to 2,676,000 bu compared with 2,984,000 last week, and 2,547,000 bu lastyear. Kansas City and Minneapolis stocks so far this week show a net decrease of 197,000 bu. When the visible supply is posted on Monday, it will compare with a shrinkage last year of 487,000 bu.

Markets were very nervous and at one time corn broke rather sharply due to a report by one of the railroads that the final estimate might exceed the last federal forecast by 100 million bu. If this is correct, we shall have a somewhat larger supply than was believed possible earlier, but still a short crop in comparison with past years. Wheat also was weak at times on the prospect of smaller government buying but most people still recognize that the needs from Europe will be tremendous.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 6, 1947.

There can be little doubt after last night's radio broadcast that this country is being called upon to furnish such substantial amounts of American food that some sacrifices must be made by every man, woman, and child, in order to meet the demands from Abroad. Russia is virtually the only country which this year reports better harvests than it did last year. Even here, there is some fear of notorious unreliability of Soviet statistics, especially when political issues are at stake. Nevertheless, Europe seems to be in the throes of an unprecedented famine, and this is fully recognized by our President, by the Secretary of Agriculture, by the Secretary of Commerce, and by General Marshall, all of whom appealed to the public to cut down on their eating in order that we could fulfill the promises that have been made. As President Truman, concluded, he knew that everyone in Europe would be waiting with hope in his heart and a fervent prayer on his lips for the response of our people to this program.

The only pity of all this is that speculators have been singled out for their share in the inflation, which, as we all know, is something that feeds its own momentum. It generates forces which increase the strain on the Nation's resources. It cannot be doubted that the pace of price inflation is being stepped up by world-wide crop shortages. The truth of the matter is that monetary policies are at the root of the problem, and not individuals or groups, greedy as some claim that they might be. Washington is anxious to put the blame for rising prices on anything or anyone but our international finance. The trouble is that either the things themselves that we export or the resources which go into their creation are in urgent domestic demand. Virtually every dollar's worth of goods exported, unless offset by the import of a dollar's worth of goods, adds therefore to the strain under which the body economic labors. The inflation fever is the reaction of that body to the strain of excessive demand, and in our opinion cannot be altered by having either a high level or a low level of margin. The experts in the Department of Agriculture are apparently unwilling to state what authority the government has to limit the amount of trading on grain exchanges, as warned by President Truman in his radio talk last night. Here, again, we say that limiting volume to only about 3 million bu wheat daily would be a terrific tragedy, because last week, for example, when large quantities of grain were sold to CCC, (probably about 15 to 18 million bu) about the same number of hedges had to be covered, and thus any such low volume of trade suggested for each day's session would only accommodate government business, and would not allow for millers, processors, and farmers, who likewise have to use the market. The government clearly does not have power over margins, but we believe that the Board of Directors of the Exchanges will have to solve this problem for themselves in view of the urgent demand made by the Chief Executive.

Primary receipts of wheat amounted to 3,386,000 bu compared with 2,872,000 bu last week, and 2,110,000 bu last year. When the visible supply of wheat was posted there was a small increase of 33,000 bu; total stocks are still 139 million bu, or 61 million bu more than last year. The corn visible increased 706,000 bu; total stocks are just under 7 1/2 million bu; this is 4 million bu more than same period in 1946. Chicago wheat stocks decreased 285,000 bu; there is still 6.6 million bu here, but we believe a good part of this represents grain either owned by CCC, or that which may be sold to them later.

We now have total purchases of the government for Saturday, which amounted to 4,236,000 bu for Chicago, Minneapolis and Kansas City; in addition to this they purchased 525,000 bu of barley in the Northwest. Since their operations are so large, it is quite obvious that the President's reference to a normal trade of 3 million bu of wheat alone would not be sufficient to keep the market liquid. Furthermore, farmers do not sell at just the moment the consumers buy, and therefore, there must of necessity be some liquidity and here the risk-takers come into the picture.

Prices were quite weak at the opening, but firmed later. The fact that there is to be one meatless day a week, and one day where the public shall not eat either eggs or poultry, naturally suggests that we might be able to conserve some food at home, but apparently whatever is thus saved will be shipped out. We now believe that the upper limit of 570 million bu is to be the target. Such a large goal, in our opinion, is not bearish, and may still bring about a higher level of prices later on. We stillmaintain that supply and demand will be the dominating factor, as it always has been.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

October 7, 1947

After the close of the market last night, the Directors met and acceded to the President's request in raising margins on new speculative trades. As it was pointed out by the President of the Board of Trade, this action was taken with great reluctance because it was felt that such a move would neither alleviate nor correct the situation for which President Truman was seeking a remedy: namely, high prices. Few people realize to what extent the great central markets have reached an importance in the distribution of food supplies during recent years. We are told that the government last week purchased 24 million bu wheat in Kansas City, Chicago, Minneapolis and Portland and certainly this never would have been possible had there not been futures markets on which hedging transactions could take place, thus affording great protection to the holders of grain during the period that it was stored in the elevators; likewise, the ease with which the hedges could be lifted when this grain was sold to the CCC in an orderly manner and with very little commotion marketwise.

A futures market is just as essential as fire insurance to a merchant, and certainly is as important as Lloyd's is to the shipping trade, and is as honorable as either of them. The mechanism of an exchange runs so smoothly that much is taken for granted, but in each day's trading session hundreds of problems are solved, and without confusion, hedgers, speculators, and millers all meet. It is fair to say that the fundamental economic functions of a market are performed by the Board of Trade of the City of Chicago. The mechanism, however, is delicate, and it reminds us very much of a watch that is composed of many integral parts. Whenever it is taken apart or any of the mechanism is tampered with, it fails to function normally. Taking the balance wheel out of the watch serves no purpose, and in fact, is detrimental. Many people who have spent a lifetime in the business feel that the speculator likewise plays his part in affording liquidity to a market, particularly at a time when buyers and sellers do not meet in the pit for the exchange of futures in an equal amount.

While it is true that the Chicago market is known throughout the United States and the world as a speculative market, it must also be remembered that the cash grain business and the speculative trading are closely interwoven. Speculators are performing many important market functions, such as absorbing hedges by those grain men who want to eliminate their individual risks. It is a stubborn, economic fact that values change from time to time. In fact, anything that affects consumers' wants, fancies, whims, or caprices may affect his demand. Hence, the demand fluctuates. During today's session it was noticeable that the higher margin did restrict the business tremendously, and one order, which ordinarily would not have been considered particularly large, caused considerable comment because it necessitated an advance of nearly 3¢ per bu in the market before it could be executed. If all the speculators in the world were dead, prices would still fluctuate, yet how common is the belief that speculation is the cause of price fluctuation. We have in this country many commodities in which there is no speculation, and yet there is a price fluctuation. However, it is to be hoped that our legislators will in time come to the proper conclusions if the present method of punitive margins is not found to work out in the best interests of all concerned. Whenever the open interest in our market becomes too small to serve these interests, it is not easy to effect hedging transactions, and this is particularly true when the elevator people, millers, or processors have to change over their commitments from one trading month to some other delivery. We ourselves have great confidence that the government will comprehend the true situation before it is too late. It would be, indeed, a calamity if anything should happen to endanger any institution that has served so many millions of people so successfully over a period of nearly 100 years.

Trade was very much lighter, and fluctuations were more erratic, but there was a good undertone in wheat, particularly for the nearby months, although for the first time in quite a while there was no price-fixing on part of the CCC. We believe they are trying to hold down their operations in an effort to see what the market will do with lessened activity on their part. The CCC yesterday purchased nearly 6 million bu at Chicago, Minneapolis, and Kansas City. Chances are they feel in a more comfortable position, and we would not be surprised if a good part of the January allocations had already been procured.

A few scattered showers are forecast for Nebraska, Kansas, and Oklahoma; likewise, the five-day weather outlook is a little more favorable for relief.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 8, 1947.

The average wheat crop in the United States is 890 million bu, taking the period of 1936-45, and this is considerably higher than prewar owing to the fact that yields in recent years have been so very large. When we used to discuss the pre-war average crops from 1931-40, the average was only 740 million bu, but, of course, this took into account the four drought years, 1933-36, when for four successive years we raised less than we consumed. It is hardly fair to assume that with the poor start of the winter wheat crop, we are going to have better-than-average production next summer, and if this is the case we are naturally going to have to make some very sharp readjustments in our exporting program for the reason that the domestic consumption, which before the war was only 677 million bu, rose to 800 million bu last year, and it now appears as though the disappearance at home would be even greater due to the fact that the wheat consumption for animals will probably be larger. - All this is extremely important at a time when the world is starving, and demonstrates the necessity of big crops at home, although bumper crops of a billionbu or more are the exception rather than the rule.

Since Pearl Harbor, our wheat production has been very large, and for seven years now we have done extremely well, as the following figures will show:

WHEAT PRODUCTION (Million bushels)

1941	1942	1943	1944	1945	1946	1947
942	969	844	1,060	1,108	1,156	1,408

As we stated earlier we have had some very poor years in which the crop was a failure, and lest we forget they should also be mentioned just to show what is possible when a drought takes place. Production between 1933-36 was very small and may be forgotten, but here are the actual figures;

WHEAT PRODUCTION (Million bushels)

1933	1934	1935	1936
552	526	628	629

Another point to remember is that during the period of very low consumption, our carryover reserve was quite substantial, and, therefore, it was not necessary to import too much, although for many years grain was being shipped to this country from Canada, and we see very little likelihood of anything of that kind taking place at the present time, since Canada is pretty well committed to a policy of sending a good part of her surplus to Britain under a bilateral agreement. Hence there is some danger of letting our reserve stocks sink to too small a level, and yet we are hopeful that Mr.Anderson's previous suggestion of a reserve next July of 140 million bu may find fulfillment. True enough, some economies are taking place at home, and very likely if every man, woman, and child would religiously eat one less slice of bread per day, it would help. The greatest economies, of course, would be in the amount of wheat fed to animals, and it still remains to be seen whether the program suggested by Mr. Luckman will accomplish everything that is hoped for. Those people who do not eat meat onTuesday will, of course, help toward reaching the goal. But yet, if we consume omelets or souffles which require eggs and cheese for the meatless days, and then have at our table meats on Thursdays, which supposedly is the day assigned for foregoing poultry products, it seems to be more of a shift than an actual saving. However, some economies appear probable and one can only hope for the best in this present emergency.

Primary receipts of wheat amounted to 1,602,000 bu compared with 1,386,000 last week, and 1,231,000 last year. Kansas City and Minneapolis stocks so far this week show a net increase of 26,000 bu.

Trade in all pits was at a slower tempo. As long as our exports are going to be heavy, we feel sure that the price will remain high. There is still very little pressure from the country although probably after the turn of the year farmers may sell on a more liberal scale. We believe that with the passing of each month inroads will be made on the stocks at terminal markets and before long we shall be having decreases rather than increases in the visible supply. Some fairly good rains were reported in parts of the Southwest, probably the heaviest precipitation southwest of Hutchinson. More rains are looked for but are not expected to be general.

Corn and oats were likewise higher, but some profit-taking set in on the announcement that distillers had agreed to release stocks of grain they owned as well as futures held.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

October 9, 1947

The food situation remains uppermost in most people's minds. The fact that it is discussed and reiterated is having a two-fold effect upon sentiment of the country. Undoubtedly most people are instinctively forthright in their views, and want to do everything they can to preserve a fairly decent standard of living in Europe during this crisis. This is the reason that we have to have only voluntary methods in this country to accomplish the results. True enough, many people do not fully understand how to effect a real saving in food, because we have never been close enough to starvation to know what is actually going on in some of the distressed areas of the world. As we pointed out yesterday, the person who ordinarily eats one egg and one strip of bacon for breakfast is not furthering the cause by eating two eggs on Tuesday and two strips of bacon on Thursday in a patriotic endeavor to consume less. Neither does the farmer appreciate fully what may be at stake in holding back at this time when there is probably still 50% of the grain left on the farms. Nevertheless, the ease with which the government has bought its wheat during the past ten days probably suggests that there is enough food already available in the markets on which we can draw without causing any shipping difficulties until the first of the year.

However, we were told today that one of the very large consumers of wheat out West found that since the President's talk the other night, the selling from first hands had dropped off immeasurably. This should not be regarded as an unsavory omen. The farmer after all is human, and he was told that everyone should eat one less slice of bread per day, and cut down on his meat intake; finally, that we were going to have shortages at home, and shortages have always meant higher prices. For many years he was adversely affected by an inadequate export demand, and when surpluses had piled up at home so that the Chicago market was only about 50¢ a bu, it hardly paid him to raise wheat. Therefore, it is quite natural that he should want to take advantage of the present situation, particularly when he sees that wheat is selling at $5 to $6 in the Argentine; furthermore, that Canada has cut off virtually all of her commercial relations in wheat with former customers in order to fulfill the obligations entailed by the bilateral agreement to supply Britain at an established price.

Likewise Europeans, while not to blame for the short crops, have nevertheless been guilty of stimulating black markets by refusing to remove ceiling prices. This is particularly true in France where for more than a year wheat has been fed unnecessarily to livestock in order to obtain the better price, or actually the wheat was channeled through illicit markets to fetch a better value than was otherwise possible. Unquestionably more wheat could have been exported from the Argentine had there been a better relationship between the price received in the export market and that paid to the farmer. Other surplus countries, too, have their duties as well as their limitations. The main thing that should interest us in this gigantic operation is that we do not wreck our domestic equilibrium even though humanitarian considerations are being sponsored by gracious and unselfish motives.

Primary receipts of wheat were down to 2,608,000 bu compared with 3,103,000 bu last week and 2,213,000 bu last year. Smaller offerings from the country will probably be reflected soon in the quantities at terminals. Kansas City and Minneapolis stocks so far this week show a net decrease of 195,000 bu.

It was again noticeable that total volume of trade was smaller, although there was considerable buying by various brokers that looked to be against business with Commodity Credit. Whether this was merely price-fixing or whether additional sales were involved seems difficult to say. However, Minneapolis also advised us that there was quite an amount of price-fixing in their futures market today. In both instances we believe that the December deliveries were purchased, which was responsible for the comparative strength in the nearbys.

Overnight rains were rather disappointing. A few spots had nice relief but precipitation was quite spotted.

Corn was without much feature. At one time there was weakness due to lack of distiller demand, but it is generally felt that even with the movement ahead there will not be any burdensome accumulations. The government also bought oats in the Northwest.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 10, 1947.

Secretary Anderson, who was in Chicago yesterday, made the statement that the administration's rationing program was in effect merely a psychological move, and that while probably very little food would actually be saved, its real purpose was to remind the public that there was a world shortage of food and grain. Apparently this brought a quick retort from Mr.Truman, who called attention to the fact that it is expensive to feed grain to poultry and livestock, and that, therefore, meatless Tuesdays and eggless and poultryless Thursdays were important to the relief drive. It was interesting to learn from the Secretary's words that he was very well satisfied with the new and higher margins imposed by the Grain Exchanges; furthermore, that the government had no plan for buying grain direct from the farm but preferred to let it continue through the usual trade channels. Congressman George Bender, whose Congressional Committee had been charged to investigate food prices and the marketing of food and grain in the Middle West, has heard witnesses in Chicago and in Minneapolis, and has cross-examined not only grain men, but also others interested in food problems. According to a Press Dispatch, he now claims that the administration is using the Grain Exchanges as a political football.

In a general way, we believe that if the government wants to continue its purchases, it will have to follow the market either up or down, as has always been the case. This would be true whether there were futures trading or whether we resorted only to cash markets as in the period from August 25, 1917, to June 15, 1920, when trading in wheat had been suspended. Any grain man whose memory goes back that far will appreciate that the fluctuations at that time were even greater than at present, and the undertone of the market was strong, because then also shipments to Europe were being conducted on a big scale. As Broomhall points out Canada's great agricultural industry could not have been built up in somewhat less than half a century unless during the greater part of that time the farmer had received a high enough price to encourage him to expand production and to compete successfully in the labor market. Under the controls of today, he has no such encouragement. This authority further states: "There is today the greatest selling market for wheat in the history of the world. With international reserves at exhaustion point, with importing nations struggling against a scarcity of American dollars, and with extensive new markets opening up in the Far East, the Canadian farmer has all the security he requires for many years ahead. It seems something of a tragedy that, in this hour of the world's greatest need and opportunity he should be blindfolded, handicapped and discouraged by a bureaucracy that sees no security except in the narrow and unadventurous limits of bilateral agreements or the impracticable theories of a world wheat convention." Mr. Anderson himself admitted, "United States wheat prices are not excessive in view of the world demand for grain."

Primary receipts of wheat are still holding up reasonably well, and today amounted to 2,855,000 bu compared with 2,676,000 bu last week, and 2,194,000 bu last year. In these calculations Wichita was missing. Kansas City and Minneapolis stocks so far this week show a net decrease of 283,000 bu. When the visible supply is posted next Tuesday it will compare with an increase last year of 2 1/4 million bu.

Trade was not at all heavy, and apparently is becoming more commercial since few speculators can afford to put up these high margins, and we believe that gradually trade will narrow considerably, which may prove very unfortunate if it comes at a time when the government still needs the market for the purpose of carrying on the export program. December wheat continued strong. There was buying again to fix prices against CCC sales, and also some buying accredited to a large northwestern elevator. Thus, the spread between December and May widened further.

Corn was inclined to be weak at times, but with December wheat making a season's high there was some sympathetic buying in this cereal. It is figured that the government report this afternoon will show a substantial increase over last month's figure.

Oats were very strong, and we understand that there have been large purchases here in Chicago, also that the CCC are willing to take this grain at Buffalo or at Duluth. As long as these big buying operations in grain continue sustained weakness seems unlikely. Dry weather Southwest was also a factor.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 14, 1947.

The Voluntary food-saving plan will doubtless help us in some respects to economize, and to make more grain available for Europe, although as we have stated before some of the measures proposed thus far will probably not produce the desired results. For example, a housewife may serve chicken on Tuesday and meat on Thursday, and still comply with the rules, although virtually nothing will be saved in this way. Chairman Luckman of the Citizens Food Committee is trying to reduce the bakery output, and the industry is apparently committed to halt the practice of consignment selling, which means that they will not send the stores more bread than they normally dispose of, and in this way possibly 3 1/2 million bu wheat a month may be saved at home and made available for Europe. These measures are all worth while, but in the long run are comparatively unimportant, if we have a crop failure next summer. It had been hoped that rains over the extended week-end would develop, but moisture was disappointing except for about .66 inch rain received at Topeka, and a few traces elsewhere. Thus it is still very dry over the Southwest, and the large winter wheat belt that yielded so much wheat last year is getting off to a poor start, and this is bound to give us greater concern as the season is now getting late.

From what we gather from Washington all is not going too well by way of getting harmony amongst the 26 members of Mr. Truman's Food Committee. It is thought that there may be some resignations, although some members may merely absent themselves from future meetings. The reason for this dissatisfaction is the administration's action in clipping the Committee's functions at the very outset. Members of the group who donated their time were for the most part anxious to contribute something to the conservation program, but said that they were made to feel that the "Committee was mere window-dressing for preconceived White House plans." The volunteers received their second jolt a little later when they were asked to go along with the program, which none of the members had seen before, and we are advised the majority of the Committeemen refused. Nevertheless, the program is such that it is only to be hoped that we may have the collaboration from all parties concerned. Apparently this is not the case.

Representative George H. Bender of Cleveland, Ohio, Chairman of the Mid-Continent Subcommittee of the Joint Congressional Committee on the Economic Report, pointed out that the heavy grain shipments abroad could not be accomplished without high prices at home under a free economy. This, he said, is confirmed by the Harriman Committee, and also by the Andreson Committee in the House, which found that "...Government purchase of grain is the dominating factor establishing cash and futures prices in the grain markets of the United States...." In asking thegrain trades to impose margins for price control purposes, Representative Bender said that"the administration is guilty of using its powers for political purposes and without authority of law. Margins in Commodity markets have always been used to guarantee the integrity of contracts." He went on to say that "the grain markets are in a state of confusion at a time when their invaluable services are most needed, and that the unwarranted radio attack on the grain trades, in which President Truman deliberately sought to leave the impression that our grain exchanges are the centers of gambling, does not jibe with the evidence before this sub-committee."

In spite of fairly good primary receipts our visible supply showed a decrease of 1 3/4 million bu; total stocks in all positions are 137 million bu, which is 57 million bu greater than a year ago. Chicago wheat stocks declined 422,000 bu, leaving somewhat over 6 million bu here. The United States corn visible total stocks are 7 3/4 million bu compared with only 3 million bu last year.

Prices were rather firm right from the start, probably influenced by the continued dry weather Southwest, and the rains which had been predicted last Saturday failed to materialize. Likewise, the five-day weather outlook is for hardly any relief, and thus, there is no reason to be too hopeful about the next winter wheat crop. As a matter of fact, July wheat showed the greatest strength in today's trading.

The government gave us the purchases of wheat for last week, which amounted to 15.7 million bu. This brought the cumulative total since last July to 150 million bu, but these figures do not include flour which is a separate item. The volume of business seems to be considerably lighter now, but yet since higher margins have been instituted grain prices have been very firm. Possibly the price factor will solve our problem, because the cure for high prices is high prices, and this may finally mean smaller feeding which is the one big saving that should be effected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 15, 1947.

It is not pure accident that history has recorded some of the sharpest price declines due to governmental intervention when artificial means were adopted to prevent normal laws of supply and demand from functioning. Very often political attempts which are apparently right in theory have their secondary consequences. It took us several years to pay the full penalty for violating all commercial laws when we withheld our wheat surpluses from export channels following the Farm Board era. It is hardly necessary to review in a market letter of this kind the Cuban sugar situation, nor the Brazilian coffee valorization. We all know the sad consequences of the English attempts to stabilize rubber prices, and the more recent attempts of the American Farm Board to prevent wheat declines. However, artificial stimuli, whether adopted during periods of overproduction or in times of world starvation often work out to the detriment of those that the legislators are trying to serve.

It cannot be denied that Europe this year is in dire straits. France is gathering what is still described as "the worst harvest in living memory." Estimates of the wheat production range between 128 and 136 million bu. This would compare with about 240 million bu produced last year. In Denmark the wheat harvest is almost a complete failure. All crops in northern and central European countries have suffered additional damage from the summer drought. In the United Kingdom summer temperatures have been relatively high, and this likewise took a toll from what might otherwise have been a fair-sized crop.

However, Nature has not been entirely to blame for the suffering which is now taking place. Broomhall asks the question, Why is it that European farmers have sown only relatively small areas to bread grain? Is it mere coincidence that almost every Continental country has produced better crops of oats and barley than of wheat and rye? The answer is obvious, but few people have studied it, and for this reason there are many misconceptions as to why the imports are so necessary at this time with all the economies that are apparently taking place. Unfortunately, because of artificial methods bread grain production in Europe has been sacrificed for feedstuffs. Grain is grown primarily for animals and not for human beings. All appeals to halt this unnatural process have failed. Short of requisitioning, nothing looks even remotely apt to succeed in most European countries unless the price factor is taken into account. As matters stand today, the farmer in Europe is too powerful politically for requisitioning, and we doubt whether this is even being considered. However, his interest is to produce meat and dairy products which can either be sold legally or through the black markets. It is no wonder, therefore, that the tremendous feeding of grain to livestock has reduced the amount available for direct human consumption. This is one reason that for two years now wheat has been scarce, and of equal importance is the fact that no European government has had the courage to pay the farmer as much for his wheat as it was worth in the black market, or that he could have obtained for his grain by feeding it to animals which were not controlled.

There is some talk that the Republican members of Congress may not go along wholeheartedly with the higher export goal of shipping 570 million bu grain and flour during the current season. The Department of Agriculture's export plan, which was more conservative, was shelved due to pressure from the State Department, but at least some people are beginning to think of the possible repercussions if we shoul have an average or under-average wheat crop next summer.

Today's primary movement of wheat was large, and with Wichita missing, amounted to 4,129,000 bu, compared with 1,602,000 bu last week and 1,351,000 last year. Kansas City and Minneapolis stocks so far thi week show a net decrease of 91,000 bu.

Despite some rains in western Kansas and eastern Colorado, prices were strong, and for the same reason as heretofore: namely, covering of hedges, mostly in December wheat against sales to the CCC. In the past two weeks they have purchased over 40 million bu of wheat, and it is, therefore, not at all surprising that prices should be considerably higher during this period. We figure that if we finally ship 500 million bu of wheat and feed 300 million bu wheat to livestock that our carryover next July will be no larger than last year. The amount which will finally be fed depends on the price. The BAE estimates that 325 million bu of wheat would be consumed by animals, but a high level of price, even with the short corn crop, might reduce this figure to a somewhat more normal basis. Coarse grains were also very firm, but volume of trading was not too good.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

October 16, 1947

There was some wonderful moisture overnight, and it was particularly welcome because it had not been forecast, and most of the map readers yesterday thought that fair and warm weather would prevail. The precipitation did not cover all areas but we had about an inch of rain reported at Hutchinson, 3/4 inch at Niles, Kansas, more than 2 inches at Altus, Oklahoma, and many sections of central and western Kansas and Oklahoma were benefited. This was responsible for a somewhat weaker opening in July wheat, but it was obvious almost from the start that government buying was again an influence, and this readily affected the nearby month, which was again in demand in order to set the price against the cash grain purchased by CCC. Just how long this program will continue at the present pace is difficult to say. We called attention to the fact yesterday that more than 40 million bu wheat had been bought over a period of two weeks. This is actually more than total clearances during each of the years of 1932, 1933, 1934, 1935, 1936, 1940, 1941 and 1942. This is also the reason that, despite the increase in margins two weeks ago, wheat prices have advanced about 25¢ per bu.

It was rather surprising, therefore, that President Truman at a Press Conference, belittled the relief buying, but again charged that speculators on the grain exchanges were responsible for high prices. He made the statement that the United States has always exported one-third or more of its wheat crop, but we do not believe that this is according to fact. During the past seventeen years, wheat production has averaged 844 million bu, and during that same period our exports have averaged 100 million bu. Thus it can be seen that our clearances have been only about 12% of the crop during these seventeen years. Their figures do not take into account that about 250 million bu wheat was imported from Canada during the drought years. Therefore, our net shipments would even make a poorer showing if these calculations were taken into account.

Nevertheless, one can only hope that present high prices may finally discourage feeding and thus curtail animal consumption, so that we shall have a larger carryover than is indicated on basis of the government's estimate that 325 million bu wheat will be fed to animals during the current season. Of course, their figures were compiled when prices were lower and when the relationship between wheat and animals was much more favorable than at present. It seems rather unusual that the flour demand has not enlarged during this period, but there still seems to be great resistance to higher levels, although one of the chain bakers has displayed more interest; otherwise, buying is more or less on a hand-to-mouth basis. A good many people, of course are figuring that the government may step out of the market at least for a temporary period, and should this occur, we might get some sharp reactions. This is always a possibility owing to the fact that the short interest has been drastically reduced, but on the other hand long lines have likewise been cut, so that the market is not regarded as being particularly vulnerable.

Primary receipts are keeping up quite well and amounted to 3,045,000 bu compared with 2,608,000 bu last week and 1,881,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 430,000 bu.

Apparently a good part of the wheat in the Southwest is now being shipped to the Gulf for export, and this will mean gradually heavy inroads on the accumulations and a consequent reduction in the visible supply.

Markets with the exception of July wheat were all very firm. Old-crop months all made seasonal highs, but after mid-session profit-taking set in and reactions were quite sharp. July wheat was actually quite weak as a result of the rains and the spread widened materially.

Corn, which had been higher in the forepart of the morning, also yielded some ground. Today's price were the best in several weeks. However, we are quite certain that there will be some rather substantial savings in the amount of animal feeding, and this will be necessary in view of the smaller crop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 17, 1947

When we sit back and reflect on the enormity of the government's program in aiding impoverished countries, we can call to mind the tremendous UNRRA program and the aid that has followed since its completion; then looking forward to the proposed aid under the Marhshall Plan, we can realize what an enormous task this country has undertaken. On VE-Day, we had what might be called a better-than-normal carryover of wheat in this country. It totaled 279 million bu on July 1, 1945. Since that time fortunately we have had record wheat crops, but our exports have expanded to the rate of 400 million bu for each of the past two years. There has been an inflationary trend in our economy, and with higher wages granted workers the demand for high-priced foods, such as meat, has continued. Even though we have had record corn and oat crops, we have still fed considerable quantities of wheat. Although down from the peak of 487 million bu fed in 1943, we consumed as feed 186 million bu last year. The entire drain on our wheat supplies has been steady. After the first year's big shipments, our carryover was reduced to 100 million bu, and this year it is down to 83 million, or about equal to one month's consumption, whereas it is not considered safe to have less than three month's domestic supply on hand at the end of the season. If we are to achieve the 500 million bu target of exports this year, of necessity there would have to be a great curtailment of feeding. Should it run to 325 million bu, an earlier tentative government figure, we would likely reduce our carryover to under last year's size. The voluntary savings of grain by the general public and industry would be contributing factors but the big saving would have to come from less use of wheat for livestock and poultry consumption if the 500-million-bu program is to be carried out.

Important in the marketing of grain this year is the agricultural all-time record income, estimated at a gross of $34 billion. Naturally like all businessmen, the producer conducts his affairs in a manner which will result in the payment of the smallest income tax. For that reason he has retained ownership of a large share of this year's production. The government in its eagerness to fulfill the buying program has at times been very aggressive in making purchases. It is estimated that with what they have bought, and the amount of grain and flour allocated to the private trade for export, procurements have been sufficient to carry the exports past the first of the year on a full shipping schedule.

Corn available for consumption as compared with the amount consumed during the season ended October 1st promises to be about 500 million bu less. While the crop estimate is more than 800 million bu under a year ago, we actually added to our carryover during the season and exported over 100 million bu. It seems that we consumed somewhat over 3 billion bu domestically; so if we should let our carryover run down to about where it was a year ago, we could consume somewhat over 2 1/2 billion bu. This reduction in corn, together with smaller oat supplies, connects up with the wheat feeding as in recent years the two grains have been interchangeable for feeding purposes.

Primary receipts of wheat amounted to 2,494,000 bu compared with 2,855,000 bu last week and 2,228,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 635,000 bu. When the visible supply is posted on Monday, it will compare with an increase of 3,578,000 bu last year.

In today's market there was considerable futures buying against contracts with CCC, although we believe much of it was old business. CCC's attitude was much less aggressive, with an unwillingness to pay premiums equivalent to recent days in Chicago. We doubt if there was anything much done in Minneapolis. In Kansas City, however, they seemed willing to take wheat at the same basis. Allocations for December are expected within a few days, and it may be that the government is pursuing an easier attitude as they have in past times when the trade had been working on their quotas of the allocations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

October 20, 1947

There was no moisture forecast last Saturday, but, nevertheless, when traders came to their offices this morning, they were somewhat disappointed to find the map almost completely dry, and even as of now there is no indication that there will be a break-up for the next thirty-six hours. It is getting quite late in the season, although we always fail to realize this when temperatures are almost as high as during the summer, but yet when the change comes it may be very sudden. This is the time when ordinarily winter wheat should be in the ground or being planted in order to give us a good, average crop next summer.

News from the Argentine was a little more favorable. They had precipitation Saturday, making the third day in succession that rains had fallen, and apparently this moisture was much needed and should be of immense benefit to the growing crops. News from Australia continues quite optimistic. The government has estimated acreage seeded to wheat this year at 14.6 million acres, which is well above the level of recent years. No specific estimate of the probable wheat crop has been officially made, but it is expected that the crop may exceed 215 million bu, which, of course, would be tremendous, not only based on the experience of recent years, but even in comparison with last year's crop of 116.7 million bu. Some of the private estimates have run as high as 230 million bu, which we presume is still a possibility. However, even allowing for only the smaller yield and forgetting about the carryover, there would still be quite a little for export, as home needs are only in the neighborhood of 80 million bu. Thus 135 million bu is available for shipment, and still have the same reserve left in the country one year hence.

In looking at the total clearances of all four countries: namely, Canada, the United States, Argentina and Australia, we find that since August 1st shipments of wheat and flour have been about 63 million bu larger than last year. Virtually the entire increase is due to larger exports of the United States. Actually Canada has shipped only 7 million bu more; Argentina gained in the same proportion, but Australia shipped 8 million bu less. Even with fairly large exports possible from Australia, it still appears as though the great burden would be on our shoulders, and if anything should happen to next summer's crops, it might not be too wise to deplete our reserves again, although with higher prices now there is a great possibility that feeding operations will be cut down.

When the visible supply of wheat was posted, it showed an increase of 561,000 bu. Total stocks in all positions are now nearly 138 million bu or 54 million bu larger than the amount we had on hand a year ago. Chicago stocks decreased 783,000 bu leaving 5 1/2 million bu here. In view of the fact that the open interest in December wheat is still 27 million bu, it suggests that there might be further tightness in the nearby delivery. There was a decrease in the corn visible of 492,000 bu. While the total is only slightly over 7 million bu, it compares with 2.7 million bu a year ago.

Prices were very firm right from the start. The fact that the weather remains dry and that the next winter wheat crop might be very much smaller than anything that we have had in recent years is causing much more apprehension. Of course, timely rains or even snows later on would change the picture but for the time being, a good many grain men are concerned. The heavy exports continue although in today's market it seems that the CCC buying was not much of a factor. A leading elevator house that had been selling corn futures for some time was apparently not in the market late today and with little pressure from the country prices were very firm and, in fact, all cereals closed near the best levels of the day.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

October 21, 1947

The task of writing a market letter these days is not too simple for the reason that the news is not changing a great deal from day to day. It has been dry in the Southwest for a long time, although a few isolated spots had sufficient relief to permit winter wheat seeding to continue under reasonable conditions. However, the big areas are still dry, and outside of some widely scattered showers that are indicated for western Nebraska, there is little hope of rains during the next forty-eight hours. Ordinarily fall weather is a criterion of what we may expect the following summer, at least for the winter wheat crop. There have been some exceptions, we know. About three years ago it was very dry but ample, widespread snows during the winter months brought about great recoveries for the reason that the wheat had not properly sprouted after planting, and thus the amount of winter killing was almost negligible. At the present time we have not completely given up hope, but each day now without rain makes it a little more hazardous, and we believe this is the main market influence at the moment, as government purchases have been less of a factor during the past week or so.

Despite the holiday last week, the Department of Agriculture reported that CCC purchases from October 10th to the 17th amounted to 11.8 million bu. This means about 52 million bu wheat acquired by this one agency during the three-week period, and probably sets a record for all time in the export field. It does not include smaller quantities of flour that were also purchased. CCC reports that no corn or barley had been bought, although it is not expected that any corn will be included in the present program on account of the short crop. Their purchases of wheat alone since July 1st total 161.8 million bu. Purchases of flour since the same date total 735 million lbs. Most observers believe that enough has been bought now to take care of the first six months' shipments but that the government may soon have to buy in order to take care of the boats that will be loading grain after January 1st. This suggests that possibly May wheat will later come into a stronger position because of the fact that hedges must be covered when these deferred purchases are put through. On the other hand farmers still hold title to a rather large part of their grain, and we should not be surprised to see heavier offerings from the country after the turn of the year. Even now, offerings from first hands might be heavier if cars were available, but this factor is still important and prevents a larger movement to terminals.

While all radio programs are stressing the necessity for economizing at home, eating one slice less of bread per day, and appealing to farmers to feed less, the Research and Marketing Program of the government continues on the assumption that after European production becomes more normal, we may again be faced with surpluses. New and extended uses and markets for cereal grains and their products and by-products as food or in chemical or manufacturing industries is being studied. In our opinion the government should also look into the central marketing system of this country with the idea of encouraging trade for the period ahead when an absorption of hedges will again be required. We must never forget that the farmer harvests his grain only once during the year; on the other hand the people need to eat that grain and the products made from grain throughout the entire year. The present system provides the opportunity to buy that grain when it is offered, but at the same time to distribute it evenly on the market throughout the entire year. This is possibly only through the operation of futures markets. Here is where speculators operate and thereby smoot out the buying and selling of grain with an efficiency and economy unrivaled in our economic system or anywhere in the world.

Primary receipts of wheat amounted to 3,765,000 bu compared with 3,928,000 bu last week, and 3,042,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 100,000 bu.

Trade in wheat was not particularly active. We saw little evidence of government buying, but nevertheless there was no pressure from first hands. As a result our wheat futures, with the exception of July wheat, went into new high ground, but best prices of the day were not maintained, as there was profit-taking, and some reactions developed.

There was no particular feature to the coarse grain market, although trade in both corn and oats is becoming lighter now. It is generally felt that feeding operations are being curtailed and that high price levels will better coordinate production to consumption.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 22, 1947

The inflation spiral continues, and it seems rather difficult to see just where it will end. Along with higher prices, incomes have risen with production well maintained and our people well employed. Personal incomes before taxes were at an annual rate of $191 billion in the first six months of this year compared with $177 billion for 1946. Farmers this year will receive about $34 billion from the sale of their products and government payments, which is about 18% more than last year, and a new high for all time. Record spending has accompanied expanding incomes, and in the first half of 1947 the rate of consumer-spending for goods and services was about 16% higher than 1946, although savings were less and more credit has been used. Business concerns have also spent huge sums for improving and expanding of plants, installing new equipment, and building up inventories.

Despite higher prices, we note that in some cases farmers are still taking advantage of government loans, although not to the extent they formerly did. The Government has loaned about $90 million on tobacco, $64 million on potatoes, and even a small item like peanuts has accounted for $34 million. In addition to this the Commodity Credit Corporation owns about $500 million worth of various commodities, the most important of which is wool, and here $230 million of government money has been tied up. They own $48 million worth of eggs and about $43.5 million worth of wheat. As the BAE points out, the present high farm prices stem from record incomes at home, and in the case of grains, the huge export demand from abroad. No mention whatsoever was made of speculation, but they forecast that farmers will have another good year in 1948, and that the outlook is for the sale of most of their products at prices near the 1947 record average. Therefore, they conclude income from farming will again be high. It is mentioned that financing difficulties abroad will have different effects on different products. Grains are preferred by importing countries because of their low cost per calorie. Next to grains, fats and oils are in greatest demand. Dairy products, dried fruits, and other foods have still higher cost per calorie.

Before our market opened this morning traders again observed that there had been virtually no moisture overnight, although some scattered showers are likely for the southeastern portions of Kansas and probably eastern Oklahoma. The big areas of the West are still unrelieved, and, therefore, further apprehension will be felt as the season is now becoming late. The Kansas Weekly Crop Report stated that winter wheat seeding continued at a slow rate in most areas, with soil moisture conditions unfavorable except in the eastern counties and a few local areas where rain was received. Topsoil is so dry that germination is poor and stands are very spotted. Seeding, nevertheless, is about completed in the northwestern areas, and much of the wheat is up to fairly good stands. Extremely dry conditions prevail in the north central and central districts, with less than half completed in most counties. In the eastern third of the State seeding of wheat is nearing completion except in the southern counties, with conditions generally satisfactory. We cannot overemphasize the importance of Kansas because last year the production of that one State was larger than the ordinary wheat crop in the Argentine and almost double the normal wheat crop in Australia. As an offset to this bullish factor, the government seems to be out of the grain market and we see little evidence of any buying today, so that the support which has been so effective during the past few weeks is now conspicuous by its absence.

Primary receipts of wheat were small today, and amounted to only 1,357,000 bu compared with 4,129,000 bu last week, and 842,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 384,000 bu.

There were times when markets were somewhat reactionary, and of course at present levels there is not the same enthusiasm to buy, although many people still believe that eventually prices may go higher. Toward the end of the session word came from Hutchinson, Kansas, that a big dust storm was blowing up. This was responsible for short covering and investment buying, with the result that final prices were higher than last night, although strangely enough July wheat is lagging, although a good many people feel that the new-crop futures at $2.60 is high, particularly if there should be some improvement in the weather during the coming weeks. Old crop futures scored new highs.

Corn was somewhat unsettled, but trade was very light. Prices were lower, and there seems to be a rather indifferent sentiment, at least for the time being.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 23, 1947

This country has always enjoyed the highest standard of living of any nation in the world. Our resources are tremendous, and our inventive genius and mass production contribute much toward our welfare. Ordinarily, the United States has from 35 to 40% of the world's income and wealth, and we presume if statistics could be tabulated now to give proper evaluation, they would show a more substantial percentage in our favor. In normal times our export trade has not accounted for more than about 5 to 6% of our estimated national income, which is quite a different situation from that of other countries. In agriculture there were periods when we depended very largely on shipments of wheat to take care of the surplus at home. However, since World War I, our population has increased by more than 30 million persons, and we are probably consuming 200 million bu more wheat now than we were at that time. The Department of Agriculture statisticians are of the opinion that the domestic consumption of wheat this year will amount to 925 million bu, which would compare with only 677 million bu in the pre-war years. However, much will depend on how much is fed, and at the moment the conservation program will bring about some economies. Furthermore, we shall have to restrict the feeding of corn owing to the fact that the crop was small. The national goal of 50 million pigs for the spring of 1948 has been urged on farmers, which would be a reduction of about 3 million from the 1947 goal, or nearly 6%. Despite the fact that grain crops have been large now for the last six or seven years, we must, nevertheless, realize that we produce not more than 10 or 12% of the world food supply. Therefore, it is not possible to fill even a small proportion of the hungry mouths of the world without seriously undermining our own situation, and without greatly boosting our own cost of living, which in the final analysis is bound to reduce our purchasing power and our standard of living.

The administration has been blaming high prices on speculative activity. However, the cold facts do not substantiate these statements, and if we export 500 million bu wheat and flour during the current season, it will establish a new high record for all time. As a professor of one of the large universities has written to us: "It is a sad state of affairs when a legitimate branch of American business is subjected to the sort of attack that has been directed at the grain trade. I doubt that there is a reputable economist or businessman in the country who thinks for a moment that operations on the exchanges are the cause of high prices today.....It will be a disaster for the Nation if this attack succeeds. Every informed person knows that the free operation of the exchanges is essential to the system of free enterprise. The attack upon the grain trade is therefore nothing less than an attack upon the American economy as a whole. If it succeeds, what branch of business will be next?"

Primary receipts of wheat amounted to 2,751,000 bu compared with 3,045,000 bu last week and 1,625,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 771,000bu.

There were periods of weakness today. This was occasioned by reports of rain over parts of the Southwest. The precipitation was mainly in central and eastern parts of Kansas but it also extended northward to Nebraska, so that apparently some relief has been afforded, although the far western sections are still mostly dry, and not much rain is expected during the next twenty-four hours. It is, indeed, gratifying to hear reports of rains in certain sections where it will undoubtedly do a great amount of good, and it is only to be hoped that more general moisture will follow.

After mid-session, markets firmed up again and it looks as though the CCC had re-entered the market for purchases at gulf ports. The advices from Washington indicate that the entire export program will be thoroughly reviewed by the Harriman Committee and apparently the October export program is falling behind schedule. This news imparted greater strength to the December future than the deferred months. December allocations will undoubtedly be large.

Corn was rather weak and probably feeding operations will be reduced.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 24, 1947.

It has been considered likely for some time that the President would call a special session of Congress, but the dramatic suddenness with which he announced November 17th as the date for reconvening these two bodies was somewhat of a surprise to a good many people. The President claims that he must deal with "dual perils," namely, starvation in Europe and inflation at home. Apparently he considers high prices and the high cost of living the dominant factors which are endangering the prosperity and welfare of the entire nation.

We believe that the people should be told the elemental economies of the situation. Regardless of what may be charged, grain prices are influenced only by the laws of supply and demand. The facts are that there is hardly enough grain to meet our own normal domestic needs and at the same time carry out the government's plans for export to feed the hungry nations of the world. Prominent analysts in the Department of Agriculture, such as Dr. O. C. Stine, have stated that if there had been no increase in the foreign demand for wheat and feed grains, farm prices of wheat and corn would have been about $2 a bu. The inescapable fact is that food supplies in different parts of the world are unequal. They have always been unequal. At present, the United States is trying to help equalize those supplies through our heavy export program. However, we cannot help to equalize the world food supplies and keep on eating as abundantly or as cheaply as we have done in normal times. Ordinarily our total wheat exports for the year run no heavier than 12% of the crop. Up to the present time, or for a period of 4 1/2 months, the government has purchased more than 20% of what was raised last summer. If a market is free, open, and competitive, it reflects the automatic adjustment of production to consumption. As one of the greatest marketing authorities in this country once explained this matter:"The high price following a short crop curtails consumption and stimulates production. The low price following a large crop increases consumption and curtails production. Thus, the cure for high prices is high prices; the cure for low prices is low prices. In the open, competitive market a constant adjustment is made coordinating consumption to production on basis of facts and not theories."

We do not believe that the answer to these fundamental problems is going to be found by regulating margins or by reimposition of rationing or by ceilings. We have had some of these experiences already, and we know the secondary consequences of black markets which ran rampant. We went through a period of hoarding and certainly few Americans are desirous of seeing these occurrences repeated. At the present time, despite the opposition to high wheat prices, we are saving a good deal of grain which might otherwise be fed, and some people are already forecasting that the amounts used for animal consumption may not be much greater than last year, which was the smallest since 1941. One thing, however, is self-evident --that when a government engages in such a vast buying program, trade must likewise expand if the legitimate hedging trade is to be accommodated. The speculator has always filled the breach between buyers and sellers, and was thus a stabilizing influence.

Primary receipts of wheat today were reasonably heavy, and amounted to 2,844,000 bu compared with 2,494,000 bu last week, and 2,660,000 last year. Kansas City and Minneapolis stocks so far this week show a decrease of more than one million bu. We expect a fairly good-sized decrease in the visible when it is posted Monday, and it will compare with a shrinkage last year of 646,000 bu.

Uncertainties in markets are always construed as bearish; nobody knows exactly what the President's proposals will be tonight, but in any case there is one thing we are sure of: namely, that the government buying is continuing, and we saw evidence of December wheat being purchased by various houses today against sales to the CCC. We also believe they are going to buy for deferred shipment at discounts under prevailing levels. This will later mean that May wheat hedges have to be covered, and if this is the case it seems difficult to see how the market can break very much despite the fact that the government is trying to fight the high cost of living.

For the time being, however, nervous trade has brought some selling into all pits. All futures were down the limit, and despite government purchases general support was rather weak. If ceilings are reimposed we feel certain that the government will defeat its own purpose in trying to buy wheat for relief. They may then have to pay the farmer a cash bonus before he will sell his grain.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 . Oct. 27, 1947

Our grain markets have been moderately weak for the last three sessions. This was not due alone to apprehension of possible reenactment of controls. As a matter of fact the President himself said recently that controls were part of a police state and that he would use them only as a last resort. However, if the drought should continue and the outlook for the 1948 winter wheat crop is gloomy, we presume that something in addition to voluntary controls may be urged. It is thought that the Republicans inCongress will counter some of the President's recommendations when the special session opens on November 17th. Nobody likes inflation and high prices that bring about adverse living conditions, but the fact of the matter is that we have been asked to export more wheat than was ever shipped before in the history of the country.

Even with some economies, it still looks as though our carryover reserves at the end of the season might be reduced to under normal amounts. Many times more grain can be lost through bad weather than could be saved by voluntary methods. Therefore, it is highly important that we get some rains now in order to improve the winter wheat outlook. The precipitation which had not been entirely forecast is of immense benefit to many sections of the country. There were fairly good rains over the week-end in the Mississippi Valley regions, and there was also some precipitation in the northwestern part of Kansas, with Norton reporting more than half an inch of rain and Dodge City 1 1/2 inches, but apparently there are still many districts that need relief, and need it soon. Our people in the Southwest claim that the rain was not too generous, although several spots had moisture, varying from light to good.

The carryover stocks of old corn are now given officially as 289 million bu on October 1st, according to BAE. This total is 67% larger than a year ago, although some people had figured on bigger stocks in view of the fact that we raised a bumper crop. Stocks of oats total 1,052 million bu, and while this is a smaller amount than was held on October 1945 and 1946, the current total is larger than the two preceding years of comparable record. It is thus to be hoped that with high prices feeding operations will be curtailed, and a good many farmers are apparently ready and willing to market their animals at lighter weights and to sell their corn rather than to take on all risks involved in these operations, and then hoping that prices for animals will hold up next spring. The year 1948 promises to be another good one for most livestock producers. The government believes that prices of meat animals are expected to average as high as in 1947, and that cash receipts of producers will again be large. However, with fewer livestock and smaller feed grain supplies, the output of meat in 1948 will probably be about 1.5 billion lbs less than in 1947, and 15% below the peak of 25.2 billion pounds in 1944. Still this would be more than 20% above the 1937-41 average. So meat consumption next year will probably be about 146 lbs per person, or, roughly, 10 lbs less than this year.

When our market opened this morning it was naturally influenced by the rains, and it seems that a certain nervous feeling has developed because nobody knows yet what the administration's proposals will be, and until the program is clarified we shall probably have erratic fluctuations. Government purchases of wheat are definitely smaller than they were some weeks past. This means fewer hedges that have to be covered in the pit.

When the visible supply of wheat was posted it showed a decrease of 1,834,000 bu. The total in all positions has been reduced to 136 million bu, which is 53 million bu more than we had a year ago. The corn visible decreased moderately but there was a shrinkage of nearly 1 1/2 million bu in oats, and total stocks, while larger than last year, are down to 24 1/4 million bu.

Trade was moderately good. Some few wheat hedges were probably covered against sales to the CCC but as time went on the undertone was better, and the principal thing is that we are going to export such large quantities that really low prices seem highly unlikely.

Corn and oats sympathized with the leading cereal, and there was no special feature.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

October 28, 1947.

The government buying program has slowed up to some extent, but nevertheless 6 million bu wheat was purchased from October 17th to 24th, and since July 1st CCC has acquired 168 million bu wheat and about 20 million bu flour in grain equivalent, or a total of 188 million bu. In addition to this some business was privately worked, although the quantities were not particularly large. However, sales of wheat and flour to Mexico were all handled privately, and likewise some of the corn exported earlier was not handled by governmental agencies. Thus a fairly large percentage of the goal has been reached, but in some quarters it is felt that it will not be nearly so easy to make further purchases for the remainder of the year. In fact, Dr. D. A.Fitzgerald, Secretary General of IEFC, is of the opinion that insteadof shipping 500 million bu wheat, according to the plan of the State Department, that we are only going to furnish about 447 million bu, and somewhat more than 60 million bu coarse grains. Should this occur then it would follow that our carryover reserve next July would also be increased.

There are quite a few figures that are more or less static. For example, bread and cereal consumption of 510 million bu will not vary much, although a few economies may take place through conservation. The 87 million bu needed for seed will probably be thus used unless adverse weather prevents total plantings. The 5 million bu for commercial use is too small an item to debate. So the only two variables consist of the amount fed to animals and the amount of our exports. The last official figure we have seen allows for 325 million bu wheat for animal consumption on basis of a total disappearance which BAE claims might reach 925 million bu. However, these figures were compiled last August before prices had advanced. The chances are that when a new estimate is given the amount allowed for feed will be reduced, although possibly not to the figure of 190 million bu of last year. In this connection it is interesting to note that in the period 1932-41, average feeding of wheat to animals amounted to 122 million bu, and this compared with a record of 488 million bu fed in 1943-44. Thus it can easily be seen that if the government wants to effect real economies, this is the place where the greatest effort should be used. On basis of the first quarter reports, we believe that wheat feeding to animals is about 30 million bu smaller than a year ago, and if prices remain reasonably high, this tendency will continue. However, any action to artificially lower prices either by ceilings or a rollback would defeat the program, and we believe that the government is probably aware of this situation. The Department of Agriculture has already studied this matter carefully, and has stated that substituting forage for grain to provide more food for people requires special attention to pastures and other sources of roughage.

Press dispatches, quoting high administrative sources as their authority, state that the Agricultural Department expects to complete the purchase of all grains Europe will need this winter and next spring within the next couple of months. They figure that of the 500 million bu of wheat slated for foreign relief, 289 million bu has already been acquired, which is in accord with the previously quoted total of 188 million bu that CCC and PMA have bought since July 1st, as they had on hand as of that date 52 million bu, and the private trade has been allocated about 50 million bu. This would bring the total to the equivalent of 289 million bu of the program. These people also say that the Agricultural Department has acquired approximately 60 million bu of the 70 million bu of other grains which is to go abroad. Thus, if the program is completed by December 15th, 211 million bu of wheat and 10 million bu other types of grain remain to be purchased by that date.

This type of news seemed to have bearingon today's market, but there were no large purchases apparent. It may be that pending issuance of December allocations which continue to be expected momentarily has reduced the immediate purchases, after which PMA is likely to issue new prices at which they would purchase flour for December shipment.

While the Southwest wheat belt had no moisture, substantial rains were received in the Central States, with amounts ranging up to 1 to 1 1/2 inches, which will continue to keep the new-crop wheat in this area in generally satisfactory condition.

Primary wheat receipts continue large, with 3,619,000 bu reported today, only slightly less than a week ago, and over a million bu better than corresponding day last year. Stocks at both Kansas City and Minneapolis have decreased so far this week, reducing accumulations in the two markets by 122,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct 29, 1947.

It is self-evident to anyone familiar with grain affairs that whenever the world demand is larger than the supply, we are bound to have high prices. This is so fundamental that it hardly seems necessary to mention it in a market letter except that some people have voiced the opinion that speculation rather than the law of supply and demand had been the dominating factor. We have called attention on several occasions to the high prices that existed in the Argentine and in Canada. The latter, of course, refers to wheat which is being shipped to countries other than Britain. Today, the Australian government raised its price 16 3/8¢ per bu, and if anyone wants new-crop wheat from that country, he has to pay $3.16 per bu FOB ports, which clearly indicates that the demand is fully upheld, and, of course, this is not due to any speculative influence, since there is no future trading in Australia. As a matter of fact, purchases and sales are completely under government domination.

We have been told that the Luckman Committee will probably disband by end of December, and the Chairman is quite hopeful that the saving of wheat can be accomplished by that time. This would not be at all surprising because present high prices are no doubt causing a reduced amount of feeding of wheat and other grains to livestock. There can be little question that farmers are thinking twice before feeding $3 wheat to hogs. On the other hand, if the price were $2 it could easily disappear at a much faster rate. Thus, we again call attention to the fact that while high prices are not always desirable, insofar as they affect living costs, economically they do a job when all other controls or allocations fail. The most difficult place to curb consumption of wheat or corn is right on the farm. Generally 85% of the corn never leaves the county in which it is grown. Consequently, the difference between a 2 1/2 billion-bu crop and a 3 billion-bu crop would create great excesses were it not for the great laws of supply and demand, which bring about better coordination between production and consumption. In other words, when prices are high, corn is often fed very sparingly, but when the reverse is the case, corn is shoveled out to hogs, much is wasted, and in fact, at times we can even remember when it was burned for fuel, having been cheaper than coal.

There was no rain of consequence overnight, and while the Weather Bureau is not too hopeful that showers will develop, they are at least being forecast for the western sections of Texas and Nebraska. Broomhall reports from Europe that many sections of the Continent are still in need of good rains to facilitate fall seeding, although in a number of places there is still sufficient time to complete fall work if moisture is obtained in time. Meanwhile we learn from a press dispatch that the flow of grain to Europe is being slowed down for fear that we might send too much early, and, therefore,deplete our stocks before the next European harvests are gathered. It is felt that in late spring and summer reserves will be more sorely needed than at present. December allocations should be announced at almost any time, and in flour circles it is believed that there may be an increase of 25% in flour shipments as compared with November.

Primary receipts of wheat today amounted to only 947,000 bu; this compared with 1,357,000 bu last week, and 862,000 bu last year.

There was nothing in the routine news that accounted for today's weakness. As a matter of fact the weekly crop report from Kansas was rather bullish. They stated that in a few extreme western and northwestern counties and in scattered sections in the south part of the state, wheat was making favorable growth, but through central areas and much of the western portion considerable acreage had not yet been seeded, or at least the seed was lying in the dust and had not germinated. Therefore, much concern is still being expressed until there is relief. Government buying for the past few days has been rather slim. Some support came into the market today, but not enough to be a factor, and since there are very few shorts in the market, small selling orders gave us rather sharp declines. This is to be expected now with speculative trading almost at a minimum. On the other hand, we presume that as soon as the urgent liquidation has spent its force recoveries will likewise take place, but for the time being markets are much more sensitive, and respond very quickly to technical conditions.

Corn and oats were naturally influenced by the great weakness in the leading cereal. There was no special news, and selling was not particularly heavy.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 30, 1947.

After the close of the market yesterday new parity prices were published by the Department of Agriculture, and it seems that the upward tendency has continued. The new wheat parity as of October 15th is $2.11 per bu, up 1¢ from the previous month, but an increase of 28¢ per bu during the past year. Consequently, if loan prices were established now they would be on basis of $1.90 on the farm, or adding 25¢ freight to Chicago would make the loan here about $2.15 per bu. Thus it is not reasonable to expect that even if we do have some improvement in the winter wheat outlook, prices next year will be very low. The farmer has become accustomed to high prices and will not sacrifice his wheat, so that even if the market should decline appreciably, that isto say the July and September futures, probably large quantities next season would be impounded. Furthermore, it must be recognized that there was still about 630 million bu wheat left on farms as of October 1st, and probably another 70 million was owned by producers at the various terminal markets, leaving about 700 million bu wheat to which farmers still hold title, and yet there is no great pressure from first hands.

Having raised large crops all during and since the war, it is not reasonable to expect that bumper yields will continue forever. As a matter of fact, even taking into account the record yields of the past four or five years, the wheat crop since 1930 has averaged only about 844 million bu. We consume nearly that much at home during the last crop-year, and the Department of Agriculture estimates that we might consume 925 million bu domestically in the present season, although we have reason to believe that this figure is a little extravagant in view of the fact that feeding operations will probably be reduced owing to high prices rather than to any suggestions to conserve. So we must be prepared for a larger home consumption than previously, and if this is the case it likewise follows that our ability to export will be lessened except in those years when we produce much more than average crops. If this is so we consider it unwise to let our reserves drop to too low a level. Last year's experience should be a lesson, because a carryover of only 83 million bu wheat might have been very serious had anything happened to give us either a late crop or one of smaller proportions.

At the present time there seems to be some controversy over the December allocations. As we understand it, the Department of Agriculture is thinking more in conservative terms, while the State Department is desirous of shipping the maximum amounts in order to combat communism. It will, therefore, be interesting to see what figure is finally chosen as the proper one for shipments in the last month of the year, but until it is made public nobody can be too sure of the future trend of prices. As we have stated so often there would be no shortage of wheat supplies at home, nor, indeed, high prices except for the shortages created through exceptionally large shipments.

Primary receipts of wheat were a little better today, and amounted to 3,430,000 bu compared with 2,751,000 bu last week, and 1,649,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 637,000 bu.

The carryover feeling from yesterday was somewhat bearish, with practically all wheat futures having closed last night at the full 10¢ decline. Nobody can tell for sure when the CCC buying may become more aggressive, but for the moment they seem to be biding their time. Likewise, nobody knows for sure what will come up at the special session of Congress. Senator Taft told reporters that he would oppose price controls at producers' level, as well as at consumers' level, and that he ruled out consumer rationing as the remedy for high prices. He said, however, he was willing to listen to any proposals for allocations, but nobody knows exactly how allocations might work, nor whether that would actually reduce the consumer consumption. The big saving we still believe will be in the amount of wheat needed for animal consumption; here the high price is an important factor, and we believe that the government recognizes the situation thoroughly.

For the moment flour business is rather draggy. Neither small nor larger bakers have become aggressive even on the break, apparently feeling that a further slump might be possible. The result is that bookings are momentarily light, and the market is feeling the lack of support which would come from heavier sales. Probably the volume would be much heavier if allocations were announced --these seem to be long overdue. Coarse grains showed a relatively firmer tone today, but the market was not particularly active.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 31, 1947.

After the close of the market yesterday, the December allocations were announced, and they call for shipments of 33.6 million bu grain for the last month of this year, which compares with 29.5 million bu for the month of November, and 45.6 million bu during October. In trying to come to some definite conclusion, we have totaled all the monthly allocations for the first six months of the year and find that 261.3 million bu is the figure for the first half of the season, but, of course, this is not a truly accurate statement for the reason that about 30 million bu coarse grains has been shipped by the trade. Likewise, nearly as much by Commodity Credit Corporation, and in addition to this some of the grain which has already gone into exporting channels was from last year's crop. However, taking the government's own figure of 305.5 million bu for the total grain allocations, and shipments for six months, and deducting 15 million bu which was probably a carryover from last season, we conclude that there has been about 290 million bu grain accounted for as compared with the total goal of 570 million bu for the entire crop-year. There are two ways of construing these figures: one might be that we are generally in a better position to export our wheat and other grain products, including flour during the first six months of the season, and that if we have accomplished only about half of the proposed program, possibly we shall not be able to fulfill it in its entirety by end of June 1948. Another school of thought, however, leans to the belief that requirements from Europe are so urgent that we shall have to ship about as much during the last six months of the crop-year as we did the first half, and that, therefore, we are going to have greater difficulty when we make inroads on the accumulated supplies, unless the movement from first hands increases materially after the 1st of January.

According to the newspapers, one high official seemed convinced that we are going to ship 570 million bu of wheat, flour, and grain during the twelve-month period, and even ventured an opinion that the final quantities might exceed that figure, all of which had a rather bullish implication and was the reason for higher prices today. Another factor was the dry weather in the Southwest, with the exception of some rains that visited Missouri, with 2 1/2 inches being reported at Kansas City, and an all-night rain at St. Louis, with some moisture also at Springfield, but yet the big territories of the West are still suffering, and since this is nearly the 1st of November, naturally more apprehension is being felt.

As far as government purchases are concerned, they are not an important factor the way there were a few weeks back. We are told that in spite of only announcing December allocations at this time, CCC probably has enough grain purchased to take care of shipments to the middle of February. Thus they may be in position to bide their time in the hope that farmers' marketings will be larger in the next calendar year. In the meantime trade is not particularly active. Fewer people are willing to put up present high margins with all these uncertainties, but still there is no big pressure from any source, and it looks very much as though the United States would be the main source of supply for importing nations for some little time yet.

There has been some beneficial moisture in the province of Buenos Aires and Cordoba in the Argentine, but Broomhall has maintained right along that with the small acreage and poor development of the crop at times, they may not have a yield in excess of 170 million bu, in which case it would allow only about 70 million bu for export.

Primary receipts of wheat amounted to 2,251,000 bu compared with 2,844,000 bu last week, and 2,039,000bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 984,000 bu. When the visible supply is posted on Monday, it will compare with last year's shrinkage of 2 3/4 million bu.

Markets were mostly firm, and probably the most important factor now is the weather. The Modern Miller report was extremely gloomy, claiming that throughout the major wheat producing areas of the Southwest, soil conditions are in a deplorable state. We had some reports this morning from our own offices that a dust storm in northwestern Oklahoma had blown up, but on the other hand there was some moisture overnight in parts of Missouri but the five-day weather forecast is not very favorable.

As a result July wheat was strongest and gained on the old crop positions. Corn was quite strong and there seems to be buying by a leading industry. Oats were likewise higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 November 3, 1947.

There had been no rain of consequence over the winter wheat belt either Saturday or Sunday, and temperature changes have been rather unimportant except that they continue above normal generally. However, increasing cloudiness is forecast for the Southwest, and there will probably be showers over western portions late tonight or Tuesday, moving eastward, so that there seems a fair chance that showers may visit many parts of Nebraska, also western sections of Kansas and Oklahoma.

Since weather is being watched more carefully than at most times, owing to the severe drought, it was quite natural that our market opened lower this morning, although the early weakness did not extend far, as it is quite likely that some of the foreign claimants are still buying flour in the week ahead against recently published allocations. There seems to be rather general hope now that we are going to be able to furnish 570 million bu all grain for Europe, of which about 500 million bu will consist of wheat. The big savings are almost entirely in the wheat that had previously been planned for feeding, and which will not go to cattle and hogs at present high levels. At the present price relationship of wheat to corn, estimates of the quantity of wheat that may be fed on farms still vary greatly. Some are of the opinion that we may not use more than 187 million bu, which was the figure last year, although a good many people are still fearful that because of the small corn crop, the quantity might finally be a great deal larger. Various people have been trying to turn over in their minds what methods would induce or force farmers to market their wheat rather than hold it either as a substitute for corn or as a reserve to take the place of expected reductions in the new crop. As a matter of fact, allocations are frequently spoken of not at the consumer level but rather a plan has been considered to have Congress adopt strict controls in order to limit the amounts of wheat that might be ground by individual millers. It might be well to consider at this time that no forced controls have ever been devised which could be made effective at the farm level either in this country or in any other country without being susceptible to black market evasion and enforcement problems. As one of our friends puts it, "The only sure way to draw wheat off the farm is to insure a high enough price for it, both by itself and in relation to corn, to induce the producer to deliver it to market.". This we believe is exactly what is taking place at the present time, and while there are certain disadvantages of a high price level, nevertheless it performs a certain economic function, and should, therefore, not be discarded without being very carefully considered and studied.

As a matter of fact world prices for grain are pretty high everywhere, and this is necessary at a time when world shortages exist. Broomhall reports that active export buying of Australian barley has advanced the price level very materially. For example, Belgium has been a good buyer lately, and according to this authority the price that ruled last week was $3.45 per bu in American funds for a cereal having a test weight of only 48 lbs compared with 60 lbs in wheat. Thus it cannot be charged that speculators are the cause of this. While nobody can be sure just how much aid will be necessary for Western Europe, it seems to be the belief in Washington that a good many commodities may have to again come under government controls. They have not listed food alone in these studies, but also steel, agricultural machinery, coal, and fertilizers.

Primary wheat receipts today were larger than last week, and quite a little larger than last year. When the visible supply of wheat was posted there was a decline of 3,280,000 bu. Total stocks in all positions are now 133.8 million bu, which is 53.4 million bu larger than a year ago. Chicago stocks showed a slight increase, and total 6.4 million bu, but we doubt whether there is much wheat held for delivery purposes. The total corn visible is 6 1/2 million bu, having increased slightly. A year ago we had only 4 million bu. Oats increased 1.6 million bu to a total of 25.8 million bu.

Markets were never very strong, although at times fair rallies occurred, but it seems that with some rains forecast new buying is not aggressive, and likewise there seems to be very little CCC activity in the market; therefore, hardly any support from that source. July wheat seemed to gain a little today on May, despite the improved weather outlook. Corn held relatively well considering the sharp break in wheat. There is some industrial buying, and for the moment very little pressure from the country.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 November 4, 1947.

The rains that had been forecast failed to materialize in a general way, although there was light to moderate precipitation in Nebraska, Missouri, and portions of central and eastern Kansas and Oklahoma. However, the dry areas of the West are still unrelieved, and there is not much likelihood of rains during the next twenty-four hours, although the five-day weather forecast is quite favorable, and thus the prolonged drought may finally be broken. There is some likelihood that more moisture will visit parts of eastern and central Kansas, eastern Nebraska, and eastern Oklahoma in the next twenty-four hours, which, of course, would also be helpful.

For the time being the government is not at all aggressive in its wheat purchases, although according to Sanford Evans who has a dispatch from Buenos Aires, it is claimed that the U. S. Army in Europe has sent a mission to see how much Argentine grain is available for shipment to Europe, so that all efforts are being made to have the various surplus countries share in doing the necessary toward European relief. We find, however, that since last August we have had very little help from other sources. Total shipments of wheat and flour from Canada, the United States, Argentina, and Australia have amounted to 214 million bu, which is an increase of 74 million bu over last year. However, we were far in the lead, having cleared 143.4 million bu, Canada 43.1 million bu, Argentina 18.6 million bu, and Australia only 8.7 million bu. Consequently, it is self-evident that if we had not had a bumper crop in this country, there would be tremendous suffering in the world at the present time, particularly since our own carryover reserve last July had been reduced to 83 million bu.

As matters now stand our domestic consumption has risen to about 800 million bu, and with 143 million people it is quite likely that it will remain large even though feeding operations may be somewhat reduced, particularly in those years when the corn crop turns out well. However, we have had four successive wheat crops exceeding the billion-bushel mark, and this is the exception rather than the rule. Therefore, if we should revert to a more normal crop next summer of, say 800 million bu, then, of course, we would be unable to remain in the exporting field, at least on a sizeable scale. Before the war there were often times when India was an exporter of wheat, but we doubt whether that will be a surplus country during our lifetime, and right now they are asking for additional millions of tons of grain both from the United States and Australia. There seems to be little hope of obtaining any supplies from Russia.

Primary receipts of wheat amounted to 3,366,000 bu. This compared with 3,619,000 bu last week, and a holiday last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 213,000 bu.

Advices from Kansas City were to the effect that no wheat had been purchased by the CCC from noon Friday until noon Monday and apparently the federal agency is going rather slowly at this time. It is claimed that winter grain seeding in Europe will increase this year although in some sections it has been too dry. Farmers, however, in many countries are encouraged by the lowering of restrictions and in all probability next year's outturn will be considerably better than the short crop that was harvested last summer.

The cash market at Minneapolis was somewhat weaker again today, but, nevertheless, our futures had a fairly good undertone. It seems that the urgent selling which we had yesterday had been completed and while today's volume was not particularly large, it is likewise a fact that the offerings from the country are not big and the chances are that we shall not have much pressure from first hands until the turn of the year.

Corn and oats were likewise steady but there was no important feature to these markets either.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

November 5, 1947

It is not generally recognized how small the exports of wheat were all during the war. This was due in part to the fact that Russia and other allies wanted concentrated foods, such as meat, but in any case, the shipments of wheat were far smaller than was the case in World War I, for example:-

In 1939 we cleared only 48.3 million bushels wheat
" 1940 " " " 37.1 " " "
" 1941 " " " 31.4 " " "
" 1942 " " " 34.5 " " "
" 1943 " " " 66.1 " " "

When the war was about over and when our shipping facilities improved, of course, the shipments were stepped up considerably. This meant that in 1944 we shipped 153 million bu. In 1945 our exports had reached 391 million bu and last year about 400 million bu, which was the largest year for wheat exports in the history of the country. We might also call attention to the fact that although last year's crop was a bumper one and amounted to 1,155 million bu, that there was a considerable amount of wheat utilized on the farms. 187 million bu was used for animal consumption and 87 million bu for seed, or a total in these two positions of 234 million bu; thus deducting this quantity from the amount raised only about 921 million bu came forward, of which 400 million bu was exported, or 43 1/2%. Naturally, this was responsible for high prices regardless of any statements to the contrary. We must also appreciate that in the current season if we ship 500 million bu, not only will it set a new record but it will also constitute as much wheat as is now being used by every man, woman and child in this country for bread and cereal consumption. Thus, nobody should appear too surprised that high prices have resulted in these circumstances.

Before our market opened this morning, there was an item on the Broadtape to the effect that the Marshall Plan was virtually ready for presentation to Congress next week and that probably the President would ask for an appropriation of $6 to $7 billion at this time. It went on to say that the President considered the European situation so critical that he might agree to side-track the issue of high prices during the special session of Congress if action were taken on the emergency aid to Europe in order to make effective the long range Marshall Plan.

Last week's grain purchases by CCC amounted to 7 1/4 million bu, but we find that the bulk of the wheat was purchased again in the Southwest with 4 1/2 million through the Kansas City office. Minneapolis acquisitions amounted to 1.6 million bu and the smaller quantities were handled through Portland and Chicago. Since July 1st, the government has bought a total of 175 million bu, together with some smaller quantities of flour. It was also reported that 460,000 bu wheat was bought in the Southwest yesterday; so apparently CCC buying has been resumed but presumably on a much more moderate scale than heretofore.

Primary receipts of wheat amounted to 992,000 bu compared with 947,000 bu last week and 3,240,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 687,000 bu.

After mid-session, one of the crop experts stated that he had made a trip through parts of Kansas and that from Wichita North to Salina and East to Kansas City for about 300 miles, wheat was generally up, and the plant was looking healthy, but in the western half of the State he was told that conditions were more critical than for several years. This apparently was due to the absence of moisture and some people apparently are of the opinion that it will be rather difficult even with good rains to get very satisfactory results. The overnight weather news was not too optimistic for the Southwest, although rains were reported in the Central States. However, it looks as though moisture were developing in western parts of Nebraska, Kansas and Oklahoma, gradually moving eastward, and this is a little more encouraging, although moisture coming so late cannot be as beneficial as if it had occurred earlier. Nevertheless, it should be of some help.

The three major Grain Exchanges of the country, charging that the recent rise in the price of grain, and wheat in particular, had been caused by the extraordinary purchases of the government, have asked for a special and sweeping congressional investigation. The market had a rather firm undertone, and this was also true of corn and oats.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Nov. 6, 1947.

According to Washington reports, an expert of the Department of Agriculture now believes that we shall probably feed no more than 250 million bu wheat. We have held for some time that the amount of wheat needed for animal consumption might not be much more than last year, when 187 million bu was thus consumed, and which was the lowest figure since 1941. However, we have not based our opinion on any particular strategy that has been effective in changing the farmer's tactics, but rather we have believed that the producer would think twice before feeding $3 wheat to hogs. Apparently the price factor which is being fought so strenuously is the medium through which the curtailment is taking place, and at the present time the relationship of wheat to corn favors the situation. It is only to be hoped that feed grains will be used in a better proportion to food grains for animals, so that we can come closer to a pre-war relationship in this respect. On basis of the newest estimates, if we export 500 million bu wheat and consume 500 million bu for bread purposes, and if we feed 250 million bu to livestock and consume 92 million bu for seed and commercial purposes, total disappearance will amount to 1,352 million bu. On basis of crop and carryover, this would leave us a reserve next July of about 140 million bu, which would still be less than normal, but would compare with the dangerously low reserve of 83 million bu at the beginning of this season.

The President at his press conference this morning, apparently felt that the first order of business should be consideration of the Marshall Plan, but still he showed no inclination to drop his campaign against inflationary tendencies, claiming that there was no use in making appropriations of money for 100 million bu wheat if through rising prices it would only buy one-fourth that much. It is, of course, a simple economic fact that the greater the demand, the higher the price, and the grain trade still contends that the relief buying rather than speculation has been the most important influence in the markets. We admit that speculation may be significant in any short-term rise extending over a period of several days or even weeks. But we also submit that whenever prices are moved out of line because of speculation, natural forces assert themselves over a period of time and counteract the situation. If the present level were out of line with intrinsic values, farmers who have 600 to 700 million bu still under their control would naturally sell on a much heavier scale, but we do not find that any big accumulations are taking place at terminals; in fact, the visible supply is declining, and if the government were anxious to buy large quantities of wheat, we doubt whether offerings would be anywhere near as heavy as they were a few weeks ago, when a good many elevator interests still held title to grain, and when they sold it freely to the CCC at very modest profits.

We must not overlook the fact that during the fiscal year 1946-47, about 43 billion pounds of food were exported from the United States, which was about 13% of the total tonnage distributed for consumption. Grains and grain products made up about 80% of these exports.

Primary receipts of wheat today amounted to 1,791,000 bu compared with 3,420,000 bu last week, and 1,743,000 bu last year. Kansas City and Minneapolis stocks so far this week show a decrease of 1,180,000 bu.

Trade was not particularly heavy, and we believe that this was partly responsible for the weakness, because in a thin market selling orders today had more than the usual effect. There had been some overnight snows in western parts of Nebraska, and these spread to western sections of Kansas, with the prospect that there might be a reasonable amount of precipitation received before clearing weather sets in. Our weather man also believes that the moisture will move eastward, and there might be some further relief for central and eastern parts of Kansas. In any case, new buying today was not heavy, and as a matter of fact offerings from first hands were a little larger, which brought further hedges into the market both here and in the Southwest. When the leading cereal yielded ground corn and oats also sympathized and final prices were somewhat lower.

While it is true that farm income is big and that producers have received $24.1 billion from sales of their products in the first ten months of the year, farm costs have also risen, and are now the highest in history. According to the BAE some further rise is expected for 1948.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

November 7, 1947

There was considerable encouragement yesterday that further relief might be expected in parts of the Southwest, and some of the forecasts, both local and private, were for snows in the western sections of Kansas, but these failed to materialize. Since there had been quite a little selling and profit-taking yesterday on this promised relief, it was only natural that today's market should reverse itself. It is still rather difficult for us in this country to appreciate the extent of the privations in Europe, and this is a matter that is difficult to deny if the actual facts are investigated. The writer learned recently that at a Boys' Preparatory School in England, the average weight of the youths was 10 to 20 lbs. lighter than boys of the same age in America, which we believe is primarily due to poorer feeding, although the manner in which vegetables and meats are boiled in that country may also be a factor in this consideration. However, one of the official releases tells us that our health officials have reported tuberculosis as having tripled since the end of the war in parts of Europe; that the American occupied zone of Germany has suffered to the extent that the average weight of men, the major labor force between the ages of 20 and 40, is 131 lbs. compared with 154 lbs. in this country, and that the minimum for useful and effective work is prescribed as 142 lbs. by health experts on the spot.

Thus the handling of the world food situation is going to be a difficult one, and we doubt very much whether it can be solved even if the next European crop is larger than the one harvested last summer. The Director General of the World Food and Agricultural Organization, Sir John Orr, was quoted recently as saying that during the next year more people will die of starvation than were killed by actual warfare and bombing in any one year of the war itself. This is the reason that President Truman is pushing the relief effort, and we are convinced now that it will be the first matter presented when Congress convenes ten days hence.

Under these circumstances it is very unfortunate that the prospects for our next winter wheat crop are not very bright at this time. A good many territories have received rain and snow during the past two weeks, but large crops are only possible when the western regions are benefited, and this was the case last year when Kansas raised nearly 300 million bu, because the semi-arid districts produced heavily.

Secretary Anderson pointed out a few days ago that the cumulative effects of the years of European food shortage were generally not recognized by most Americans. However, it has been eight years since Hitler invaded Poland, and the food shortages over much of Europe began soon after that. On top of this came the bad weather last fall, which reduced bread-grain production in France to 63% of pre-war, at a time when people had been looking forward to some improvement, but instead had to continue under strict rationing conditions. As a matter of fact in France the wheat harvest was the lowest on record, and even while the harvest was going on, rationing was cut about one-fifth, which is a tremendous sacrifice for a people who depend so heavily on bread consumption.

Primary receipts of wheat today amounted to 1,873,000 bu compared with 2,251,000 bu last week, and 1,274,000 bu last year. Kansas City and Minneapolis stocks show a total decrease of 1 1/2 million bu so far this week. We expect a reasonably large decrease in the visible supply on Monday, but this is the season of the year when this generally occurs, prior to close of navigation. Last year the visible decreased 4 1/2 million bu.

Trade was rather moderate today, and as we mentioned earlier, there was some buying because of the disappointment in that the moisture had not developed Southwest. Some fair rains were reported in the Central States, but of course, the latter does not constitute the dry area.

Corn and oats were likewise higher. There seems to be no pressure on either of these cereals, and a good many people believe that there will be no large accumulation even during the period when the farmer ordinarily moves his corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

November 10, 1947

Secretary Anderson is delivering a series of talks and his greatest concern is the European food situation during the coming winter. Today he addressed various State Secretaries of Agriculture at Biloxi, Mississippi, and called attention to the fact that before we started our food conservation drive in this country, it appeared that Western Europe would be 200 million bu grain short if they decided to continue the present low rations of bread for another year. Therefore, the various conservation drives here at home were to fill this gap. Up to now we had been advised only of the necessity of furnishing an added 100 million bu wheat in order to take care of European relief, although on several occasions it was stated that if later on we could furnish more, we should make every effort to sacrifice larger amounts. In view of the fact that the other large exporting countries are not too well off, one may only conclude that the greatest burden will be on the United States to furnish whatever is possible.

One bright spot on the horizon is the prospective crop in Australia, which might yield 220 million bu in contrast with the small 1946 outturn of only 118 million bu. A 10% increase over last year's acreage, together with favorable conditions in all areas except in Western Australia may make this promise a reality. They have had steady, soaking rains over most of the wheat belt in the eastern States, and in South Australia during August, followed by further precipitation in September, so that growing conditions right through have been extremely good. The best areas are reported for New South Wales and Queensland, where last year a severe drought had been largely responsible for a crop failure. Under the present plans, the Commonwealth government will continue to market wheat in Australia during the season ahead. On September 12th, the export price at ports was $2.72 per bu, but since that time there have been two increases, and in U.S. funds they are now asking $3.16 per bu computed at the first rate of exchange of the English pound at $4.03. The two advances amounting to over 40¢ per bu have occurred over a period of recent weeks, and still the demand is good from such countries as France and Belgium. It also demonstrates that without a futures market, prices have ruled high, and, indeed, there is no speculation there since the government is the sole agency in handling the grain business, as well as exports.

We understand that Mr. Anderson will talk again at Columbus, Ohio, within the next day or two, calling attention to the immediate aid for hunger relief, and the necessity for full cooperation on our part. Therefore, when Congress convenes in another week, it will probably be faced with the same problems on which important decisions must be rendered.

When the visible supply of wheat was posted, the decrease shown was 1,785,000 bu. This leaves the total in all positions 132 million bu, or 56 million bu more than last year. Chicago stocks decreased 610,000 bu, but there is still 5,831,000 bu locally held, but we believe little of it will be delivered on December contracts, and as long as this is the case the December future continues at a good premium over the later months.

Much of the buying today was in July wheat, because of the fact that it was rather dry Southwest. Map readers are not quite in agreement as to just how much moisture they believe is in sight during the next 24 hours. In any event, some of the areas will be relieved, but the official forecast is not too encouraging.

The corn visible increased 850,000 bu, to a total of 7.3 million bu, which is about 1 1/2 million bu more than a year ago at this time. The oat visible decreased 1.6 million bu; total stocks are 24.2 million bu, or 8 million bu greater than last year.

Trade today was not particularly heavy. At times the market displayed nervousness, and we believe that with Congress convening a week from today this may have been the reason. Nobody can tell yet what will come up legislatively, although it is not considered very likely that much will be done in the way of price fixation, but allocations are being discussed.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

November 12, 1947

At the moment the buying pace of CCC has slackened considerably. For the week beginning Monday, October 31st to noon November 7th, they report the acquisition of approximately 1,645,000 bu wheat, making the total purchased from July 1st to November 7th, 176 million bu wheat, and the equivalent of 20 million bu wheat in the form of flour, or a grand total of 196 million bu. They started with an inventory on July 1st of 52 million bu, making total supplies purchased or held by that organization 248 million bu. To this amount should be added 55 million bu additional, which has been allocated to the trade through December, bringing the total to 303 million bu. This compares with allocations to the end of December of 243 million bu, or 60 million bu more than has been allocated through this calendar year. Therefore, it appears on the surface that total supplies acquired or held by CCC are substantially ahead of announced allocations. In addition allocations of coarse grains from July 1st through December 31st amount to 61.8 million bu. The government purchases have amounted to 31.2 million, and the amount allocated to the trade 33 million bu. This undoubtedly accounts for the present lag in recent purchases, and such may continue in the near future, at least awaiting developments in the new Congress, which convenes next Monday. There also might be an inclination to wait as it is presumed farmers' marketings after the first of the year will be heavier.

In looking over the total amount of grains which left our shores for export during the first four months of the crop-year, there has been approximately 237 million bu all grains exported. If this same proportion were maintained for the next eight months, the total would amount to 720 million bu, which, of course, is far beyond the goal and demonstrates that we have made considerable progress in our export program.

The unfortunate part of the present dilemma regarding world shortages is the fact that restrictive measures and controls have greatly interfered with the acreage planted to wheat in other countries. While these measures were invoked to prevent higher prices, they have acted as a boomerang in inducing farmers to plant less wheat and more coarse grains, products of the latter finding their way into black markets, etc. There seems now to be some reversal of this thinking, and it is reported from France and Italy that there is to be an easing of controls, calling for delivery of all wheat to the government to the point at which at least a certain percentage may be sold in the open market after delivery quotas to the government. Hopes are being expressed that this may reverse the serious trend of planting feed grains at the expense of wheat, and it is now held that the acreage planted to wheat in Europe may be increased as a result of easing of restrictions. Of course, weather will again be a dominating factor, but at least when sufficient acreage is planted there is always the chance of getting a better outturn than when the seed is not put into the ground.

We have read a rather interesting letter from a friend of ours located in southwest Kansas. The letter comments that there has been very little relief around that section but that wheat is still being seeded in the dust and eventually most of the acreage will be in the ground. He further comments that winter wheat takes a lot of punishment and if given only half a chance, a respectable crop could still be harvested. The box-car shortage is still presenting a problem and if cars were available, our friend believes there will be a fair movement of wheat as all the elevators in his territory are blocked and mostly closed.

There was no moisture of consequence reported from the western areas over the holiday but the present forecast is a little more hopeful for snows or rains in western Kansas, but as is so often the case in a drought period, forecasts have little effect marketwise until moisture has actually been received. Trade in wheat is light but markets were firm with evidence of some mill buying. The three offices of the CCC report a total of 981,000 bu purchased for the previous day's period. At the moment it is reported that additional flour purchases are not contemplated by PMA although some feel that the agency will receive new requisitions and thus re-enter the market for another monthly allocation.

Receipts of corn are running light for this time of the year with only 182 cars reported in Chicago for the two-day period.

Primary receipts of wheat today totaled 3,298,000 bu as compared with 992,000 bu a week ago and 1,849,000 bu on the comparable day of last year. So far this week Minneapolis and Kansas City stocks show a total decrease of 231,337 bu with the major decrease coming from the Northwest market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

November 13, 1947.

After the close of the market yesterday a government report was issued forecasting a corn crop, as of November 1st, of 2,447,422,000 bu. This was a reduction of 11 million bu from the October 1st report and came somewhat as a surprise to many in the trade, as favorable conditions had existed during that month. The revision came from slightly lower corn yields per acre in the corn belt and in the northeast. However, the report stressed that throughout the corn belt the quality of corn had materially improved. While no new wheat estimate was furnished, the Bureau of Agricultural Economics estimated that probably not over three-fourths of the intended wheat acreage was seeded by November 1st in the six States of Nebraska, Kansas, Oklahoma, Texas, Colorado, and New Mexico. The report is not very encouraging as far as winter wheat is concerned, but we all know that the wheat plant has marvelous recuperative powers; that wheat in sections of the Southwest can be planted up to the first of the year, and even later. Unfortunately, the largest producing sections of the areas have been suffering most from the drought, but there are a few brighter spots in the situation. The Missouri weekly crop bulletin states that seeding is practically completed and in good to excellent condition. The Nebraska weekly report states that in western and southwestern parts of Nebraska winter wheat is going into the winter months with an excellent supply of moisture in the soil, although elsewhere additional moisture is needed to firm the soil and prevent excessive winter killing. Very encouraging reports are being received from the Pacific Northwest that conditions are splendid and a large acreage has been seeded.

Much thought is being given on part of traders to the convening of Congress next week. While it appears that the paramount issue in the President's program will be the approval of the Marshall Plan and relief to Europe, there apparently will be a great deal of discussion as to possible legislation to check the price spiral in this country. Undoubtedly there is great opposition to actual price control, but there seems to be quite a bit of talk about allocating scarce materials, such as steel and grains, and one may only surmise probable results. We have pointed out innumerable times in our market letter that, as far as wheat is concerned,present prices are due mainly to our export program. Furthermore, the present outlook on winter wheat is not alleviating the situation. Although there is a great deal of talk about the high cost of living in this country, the fact remains that the population of the United States is consuming food at a high rate. According to some interesting figures by BAE on the national food situation, using the pre-war average from 1935-39 as 100, the United States civilian consumption per capita in 1946-47 was 118%; the meat consumption rose to 155.2 lbs per capita as against 125.6 lbs, the pre-war average. It is figured that the nutriments available for civilian consumption per capita per day for 1947 is 3,420 calories against the pre-war average of 3,250 calories. Besides our increased consumption in this country, the report also points out that our food exports of major food crops during the fiscal year, 1946-47 were 42,997 million lbs compared with the pre-war average, 1935-39, of 8,270 million, and 38,695 million lbs in the fiscal year, 1945-46. Going back to the post-war era of World War I, our exports in 1919 were 31,078 million, and in 1921, 36,409 million lbs.

Primary receipts of wheat today totaled 936,000 bu compared with 1,791,000 a week ago and 924,000 the comparable day of last year. So far this week Minneapolis and Kansas City stocks show a total decrease of 718,265 bu.

The CCC reports that the past day they purchased a total of 1,165,000 bu wheat in Kansas City, the Northwest, and Chicago. While their recent purchases have been somewhat tempered , nevertheless, they are still procuring enough supplies to have effect on the market, which, is at present, rather thin and light. As their prices are based on the December future, strength is reflected in that month. In addition to the CCC it was reported that the PMA was again in the market for flour for November-December. While the conversion is not very large undoubtedly there are some mills which need running time and are interested in selling the government agencies. Outside participation is not very heavy but December wheat again reached over the $3 mark.

Despite the government report, corn was draggy throughout most of the session but at times responded to the strength in wheat. Country marketings remain relatively small.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

November 14, 1947

When the trade arrived at their offices this morning, they found that overnight moisture in the Southwest had been more generous than anticipated. During the past twenty-four hours amounts ranging up to as much as an inch in portions of Oklahoma to 1/2 inch or more in the Texas Panhandle and western sections of Kansas had been received. The moisture seemed to have skipped the northwestern areas of Kansas but they had had previous relief, and rains were not as urgent. Amarillo enjoyed about 1/2 inch with snow still falling. Do not think rains were very extensive north of that point. However, the map is still favorable and the prediction is for rain or snow tonight, with clearing in the western portions Saturday.

Weather conditions led to a lower opening in wheat, which was also reflected in other cereals. However, as the session progressed it seemed to be apparent that CCC was willing to buy wheat through their three offices, and this acted as a sustaining influence against the early break.

After fifteen days of price hearings in the Middle West, the Bender Committee report was released, although apparently three members did not sign the document. In part it reads, "The current unprecedented volume of exports, resulting from the administration's foreign program, is responsible for high prices in agriculture and has a general inflationary effect." The group evidently rejected any idea of the return of price control and rationing, as they did not believe a price control law could be properly administrated, but believed that results could be accomplished "by placing the United States foreign program on an economic and efficient basis instead of its present inflated and politically motivated basis." Some State and Agricultural Officials believe that if Congress endorses the Marshall Plan, the world wheat price may be governed by the United States grain exchanges' price, and that the Argentine, which has been selling wheat at arbitrarily exorbitant prices might accept international allocations and bring their price in line with this country. Those expressing their views feel that under the Marshall Plan there may be a suggestion for the buying of food for export to be done by one country, such as the United States, which would supply the dollars needed by the exporting countries. However, this idea is quite contrary to the recommendations of the Harriman Committee when they recommended that no economic pressure of this type should be used. As far as our neighbor to the South is concerned, the crop news is rather pessimistic. That country suffered from an early drought, and some private estimates place the acreage smaller than even the government estimate. There has been great dissatisfaction on part of farmers with the government's price policy in the Argentine, and the trend has been towards cattle raising. However, it is rumored that the government will sharply advance the wheat price to growers in belated recognition of the gravity of the situation. It is recognized that farmers are not apt to deliver much wheat for export unless a better price is granted.

Primary receipts of wheat today totaled 2,147,000 bu as compared with 1,873,000 bu last week and 1,902,000 bu on the comparable day of last year. So far this week stocks at Kansas City and Minneapolis show a total decrease of 1,130,416 bu, and when the visible is posted on Monday, it will compare with a decrease last year of 3,336,000 bu.

As the session progressed excellent reports were received on the moisture condition in the Southwest. Dodge City, which is in the dust bowl, reported up to noon .64 inch precipitation, and still snowing hard, with about one inch on the ground; Liberal, Kansas, also in the same territory, wired that they have had one inch of rain and snow the last 24 hours, and that the rains have now extended into the central part of the State. Snows are also reported from Norton, Kansas, and Hastings, Nebraska.

As outside participation is very small at present, there did not seem to be sufficient volume of government buying today to sustain advances, and wheat closed with a weak undertone. Corn also was weak, despite the fact that marketings from the country are light. Reports which we have received from Illinois talk about spotty conditions. The farmer seems satisfied with the price, but evidently want to carry over the proceeds from this crop into next year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Nov. 17, 1947.

The Canadian wheat crop is now estimated at only 340 million bu for all of Canada, which is a reduction of 12 million bu from the earlier estimate. Sanford Evans now figures that the domestic consumption in that country may be reduced to about 150 million bu during the current season. Apparently the amount of wheat needed for feeding and commercial purposes will be lower than for any of the last five years. On this basis there would be a surplus of 190 million bu and still maintain the same carryover on next August 1st of 84.4 million bu. However, about 150 million bu has been promised to Britain under the bilateral agreement, and no doubt England would take even a larger quantity if it were available. But in any event one can readily see that after taking care of home needs in Canada and the amounts contracted to Britain, there is only about 40 million bu at the outside that could be shipped to various European countries.

This again shows rather conclusively that the main burden will be on the United States, and as far as we can tell the Administration hopes to ship about 500 million bu wheat in the season ending July 1, 1948, which, of course, would be the largest quantity ever furnished in a single year. Fortunately, weather in the Southwest has been better during the past ten days. There was more unexpected moisture in parts of the west, and while precipitation was not heavy there was at least relief in the far western sections of Nebraska and Kansas, and it extended into the Texas Panhandle, with .19 inch rain at Amarillo which should do some good. Of course, it is too early to say what European requirements will be next year, and very likely there will be some crop improvement in comparison with the failure crops of last summer. Moreover, if seed, fertilizer, and manpower can be had, there will be great efforts to produce more wheat next summer.

We learn through Broomhall that Britain is anxious to promote agriculture, and added inducements have been promised farmers for planting larger acreages. It is thus hoped to increase the wheat acreage by 500,000 if weather is favorable. The British government offers farmers $16 per acre for three-year old grassland that will be plowed between 1947 and 1949. The minimum fixed price for wheat next season will be equal to $2.48 a bu on farms. In other words their program calls for less imports and heavier native production. Last year their crop amounted to only 56 million bu, but, of course, they had very unfavorable weather and if they should get a better break, and with the increased acreage, a crop of 100 million bu in 1948 is a possibility. In the meantime England will try to get all necessary wheat or flour imports that she can from either Canada or Australia, and the hope is not to have to import anything next year from the United States.

As near as we can tell actual shipments of wheat and flour from the United States from July 1st to November 10th have amounted to about 211 million bu. CCC is still interested in acquiring further quantities for export, and we were told today that from Thursday noon to Friday noon, more than 3 million bu has been purchased through the Kansas City Regional Office.

When the visible supply of wheat was posted there was a decrease of 2 1/4 million bu. Total stocks in all positions are just short of 130 million bu but there is, at the present time, 57 1/4 million bu more on hand than last year. Chicago stocks decreased over a million bu, leaving 4.7 million bu here. The corn visible increased 837,000 bu. Total stocks are 8 million bu or just slightly larger than a year ago. The oat visible decreased nearly 2 million bu, leaving 22 million bu in the visible compared with about 15 million bu last year.

Shortly after mid-session, the President addressed the Congress and intimated that he would seek allocation of certain scarce commodities and possibly price ceilings on those goods that were in short supply, such as food, clothing, fuel and rent. He emphasized, however, that selective treatment and not general rationing was the program that he was interested in but believes that now is the time to prepare in the event that it became necessary to authorize channeling of goods later on. He also spoke of the possibility of authorizing certain regulations on commodity exchanges to prevent undue speculation but all this had very little influence on the market probably for the reason that there is no particular pressure from the country, and, in fact, there was some support today believed to be government buying of wheat apparently for export. Despite the easing of prices during the first part of the session, there were good recoveries and final prices were very strong with the trade impressed with the tremendous needs from Europe. July wheat was the strongest.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Nov. 18, 1947.

There was an extremely mixed reaction to the President's message to the Congress. Most people are of the opinion that due to the unfavorable crops in Europe last summer, emergency aid will be necessary during the coming winter months. However, it is generally felt that food relief and financial help from the United States will be futile unless the country aided discontinues policies which unbalance its trade and discourages or prevents production. It is likewise felt in many quarters that making heavy loans or gifts to European nations is not the most effective way to fight world communism. In any case, it looks very much as though the Marshall Plan in some form would be approved, although probably on a greatly reduced scale as compared with the preliminary request. There seems to be a great deal of concern in trying at this time to formulate plans for the next four or five years before we even know how our crops will turn out in subsequent years. Moreover, the various controls suggested by Mr.Truman for ceilings, allocations, channeling of scarce articles will not meet with public approval, for the reason that the American people will not willingly give up their private rights during peacetime. Free enterprise has accomplished too much to be tampered with lightly in trying to ape some of the reforms that have been imposed upon our less fortunate brethren in foreign lands.

More and more people are coming to the conclusion that many of the errors that had been committed in Europe, and which had been partly responsible for their downfall, should not be tried in this country by controlling our own economy. In other words, artificially low price ceilings in themselves increase the demand for goods while at the same time reducing production and supply, and in this way they perpetuate the very shortage that they were designed to counter. In the European system almost the whole mechanism of economic self-adjustment has been destroyed. Neither prices, nor wages, nor exchange rates are free to move to the points at which they can tell the truth about the ever-changing relations of supply and demand, and restore equilibrium between them. The inevitable result is a chronic shortage of goods and a chronic trade deficit. Why, therefore, impose these controls upon a free people where free enterprise has done so much toward making possible the relief for Europe at this time? Should we assume that it now becomes our duty to lend or give enough away to reduce us to their level? We can, of course, give a suffering world more food and other products than it is able or willing to pay for either by exchange of money or by its exports to us. But we can do so only by consenting to go with less here at home, by submitting to higher taxes, and by forcing prices higher, perhaps dizzily, as a consequence of reduced supplies. We believe that our Congress will think twice before reimposing ceilings, which were responsible for black markets, or establishing other controls so popular in the totalitarian countries. The most ardent critic was Senator Byrd of Virginia, who termed the President's policy "the greatest economic regimentation of our home affairs ever suggested in time of peace," adding, "it is a strange doctrine that, to make Europeans free, we must make ourselves at home slaves to a federal bureaucracy which will dip its wasteful and inefficient hand into every man's business."

Primary receipts of wheat amounted to 2,858,000 bu; last week was a holiday, a year ago receipts were 1,931,000 bu. Kansas city and Minneapolis stocks so far this week show a total decrease of 302,000 bu.

Trade was rather active at times. We had a lower opening due to further rains in the Southwest. The best moisture was in south central Oklahoma, where several stations reported 1/2 inch of rain, but elsewhere the amounts were less. In any case, it looks very much as though the overall condition had considerably improved during the past few weeks, but more attention right now is being paid to the potential demand fromEurope. There seems to be very little pressure on our market, with the result that the December future is still commanding a big premium over the later deliveries.

Strength in corn was pronounced, and this was a contributing factor. The commercial demand for corn holds up pretty well, and is more than necessary to take care of arrivals. As far as the hog-corn ratio is concerned, it is not particularly favorable at this time. Corn is much higher than a year ago, while hog prices are about the same. Of course, with a smaller crop, it remains to be seen how much will move to market under these circumstances. Right now bookings are very moderate, and there is no indication that there will be much of a pick-up in the immediate future.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 November 19, 1947

The latest news out of Washington is to the effect that a plan is now in the formative stage by which our Agricultural Department is drafting a scheme to support farm prices on a global scale. The object apparently is to encourage foreign farmers to boost their production of basic foods. Under the plan our government would guarantee to buy any part of particular crops held abroadwhich could not be readily sold in world markets. This, of course, is a very ambitious plan, but would probably not be dreamed of in times when normal production takes place, and when the world has surpluses. Right now, of course, with Europe on a starvation basis, everything is temporarily different, but, nevertheless, there are certain inherent dangers of trying to adopt a program that would be long-enduring when we get back to a more normal basis.

Let us look for a moment to see how the other surplus nations are handling themselves at the present time. In the Argentine, as we have mentioned so often, there is no futures market, everything is handled by the government, and they have a heavy tax on exports. While the farmer gets a price of only $1.45 5/8 per bu for his wheat, the total cost FOB steamer is $5.23, which, of course, has created tremendous discontent, and has probably been responsible for wastage, and for some grain being used for fuel rather than to deliver it to governmental agencies when the incentive is so small. We give below the picture as it applies to four cereals, which we believe will be interesting to the trade:

ARGENTINE PRICES

	F.A.S.PORTS	FOBBING AND TAX CHARGES	TOTAL PRICES FOB STEAMER
Corn	$2.64 1/4(US)	23 1/2¢	$2.87 3/4
Wheat	4.85 1/4	37 3/4	5.23
Barley	2.26 5/8	21	2.47 5/8
Rye	3.39 3/4	29 3/8	3.69 1/8

Now, in Australia, where there is likewise no futures market, the price of wheat FOB ports, in U. S. money, is $3.16 per bu in bulk, and $3.29 when sacked. This amount is the export rate, but one must take into account that the domestic price is only 83¢ per bu bagged. Thus there is a wide disparity between domestic and export prices. On the amounts sold abroad the farmer gets all but 35¢ per bu, the balance is retained by the Government Pool, apparently as an insurance fund in poor years. As a matter of fact, barley sells for a higher price than wheat, and is fetching $3.45 1/2 FOB ports, in bags.

The Canadian plan is a little better known to most of us. The wheat farmer gets $1.35 per bu, although this price will be raised in 1950 or 1951. The U. K. at the present time, which is getting most of the Canadian wheat, pays on basis of $1.55 Ft.William, although next season the price will be advanced to $2 per bu, and England has voluntarily offered to pay the increase.

Other European countries not affected by the mutual pact agreement are at the present time buying their wheat in Canada basis Fort William at $3.25 per bu, but the price varies more or less with advances or declines in the United States.

Primary receipts of wheat today were very light, and amounted to only 594,000 bu compared with 3,298,000 bu lastweek, and [illegible],000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 531,000 bu.

Trade was less active than yesterday. At times the market was reasonably firm, but it was influenced again today by the forecast of precipitation. Overnight rains were not heavy anywhere, but should be helpful. On the other hand, it looks as though there might be some general moisture over the winter wheat belt, and reports which we get now are much more encouraging both as to planting and as to outlook.

Corn at times was strong, and there is still a question as to whether deliveries onDecember contracts will amount to much at least during the early part of the month. However, the demand from Chicago was less keen, and best prices of the day did not hold.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 November 20, 1947.

It seems from press dispatches that the Senate House Economic Committee has ruled out for the present special session, at least, any consideration of President Truman's request to bring back rationing or price control, as expressed in his message to Congress. Apparently there is some dissension on part of Chairman Wolcott of the House Banking Committee, who stated that his group would start hearings next week to consider the President's entire over-all program. However, at the moment it appears that the Congress will consider mainly the winter relief portion of the Marshall Plan. Mr. Joseph M. Dodge, President of the American Bankers Association, in an address before that organization, ade the following comment: "It has been publicly suggested that if we should supply what Europe needs for relief and reconstruction purposes, it can only be made possible by government allocation of critical items and perhaps reestablished rationing and other controls over production, distribution, and prices. I, for one, do not believe that there can be any need in Europe great enough to be turned into a valid excuse for stepping backward into another regimentation of the American economy. We have just escaped from most of it. If the American people will only look abroad and recognize the failures of the Socialist planners there, they will demand and cooperate with other methods for doing what needs to be done."

Yesterday, January allocations were released, which totaled about 36 million bu grains. Up to the present time CCC wheat and flour purchases, including their stockpile of July 1st, plus the amount of allocations through the private trade through the end of January, have totaled about 330 million bu. This would leave 120 million bu to be acquired to meet the recent recommendations of the State Department for total exports of 450 million bu for the season. If about 10 million bu per month might be shipped in the form of flour, including small amounts of wheat through the private trade to Mexico, etc., it would leave only 70 million bu for the government to buy in the form of wheat, or if for the sake of calculation CCC acquires 1 1/2 million bu per business day, they would complete their program by January 15th. At the present time government purchases and trade allocations are 50 million bu in excess of the total announced allocations until end of January. When a new tax year is started farmers will be more inclined to sell than they are at the present time. Furthermore, when the accumulation of supplies for the export program is nearer completion, there may be a general willingness on part of the trade to release wheat stocks that are available. However, it must not be taken as an assured fact that the last recommendation of the State Department: namely 450 million bu, will be the final figure. The Department of of Agriculture apparently still maintains that 400 million bu is the limit for safety, but both these figures will be subject to crop conditions as they develop in this country.

Weather conditions in the Southwest have been more propitious and if a better outlook for the new crop is maintained and there should be reduced wheat feeding, the State Department's recommendation may be raised, or if conditions are not as favorable their recommendations might be lowered. It is pretty well taken for granted that we will ship abroad all that can be spared with a margin of safety for this country. However, it is foreseeable that we may reach a period when government purchases will temporarily be of very much reduced proportions, with only flour remaining to be bought from time to time, at least until the picture clarified itself, as far as our domestic disappearance and new-crop outlook is concerned.

Primary receipts of wheat today were 1,756,000 bu compared with 936,000 bu last week, and 1,637,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 905,000 bu.

Overnight moisture in the Southwest, while very light, was quite wide-spread, and both private map readers and the official forecasters look for further precipitation tonight.

The wheat trade was somewhat of a mixed nature, with no aggressive buying of flour by private interests, or government, or foreign agencies. The CCC purchases yesterday included 389,000 bu through the Chicago office, where they are moderately aggressive, and 300,000 bu in the Southwest, but nothing in the Minneapolis area. The government still seems to be interested in oats in Duluth, which imparted strength to our December future. Although their purchases have not been large in recent days, the trade has been mindful that they have been in the market, and it has brought strength. The country continues to sell corn only sparingly, but the cash basis is working more closely toward the December future.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

November 21, 1947

Considerable confusion has been caused by statements emanating from Washington as to probable export goals. However, the one dominating factor still remains unchanged: namely, unless there is a decided change in the world picture this country will ship the maximum amount of wheat which our domestic economy can stand. Final figures will probably not be determined until the new crop can be forecast with some amount of surety. Meanwhile, with Congress now in session, many statements are being issued by both Republicans and Democrats regarding the Chief Executive's anti-inflation program and request for controls. Unfortunately, in matters that are as serious for the future welfare of this country, at times political expediencies rather than economic factors control legislation.

President Truman at his press conference has again reiterated his request for control over the Nation's commodity exchanges, adding that the government should have the same powers over these commodity trading centers as over the Nation's stock exchanges. It is, indeed, sad that the country as a whole has such a poor understanding as to the primary functions of the grain exchanges. Trading in grain is not comparable to trading in stocks. On the Board of Trade, producers, elevator interests, millers, and even bakers meet every day, every hour, and almost every minute to buy and sell their wares. It is the interchange of their views and of crop conditions that controls the price. The matter of futures trading is an integral part of the entire system - it does not involve financing. Unfortunately when restrictions are put on margins, such as exist at the present time, we are no longer left with a free market. Fluctuations become more extreme and erratic, and the balance wheel is removed from the mechanism. In normal times, when markets are advancing, there are many interests that feel advances are too sharp, with the consequence that selling takes place. The reverse is true on declines. With present high margins many traders are unable to enter the market, and, therefore, price movements become exaggerated.

Not much attention has been directed to the change in tariffs as worked out in the reciprocal trade negotiations at Geneva. A number of reductions on agricultural products that might be shipped to the United States have taken place. However, there is an "escape clause" permitting suspension of the reductions in case of injury to producers. Import taxes on wheat have been lowered from 42 to 21¢ a bu for human consumption. However, import quotas are restricted to 800,000 bu, of which 795,000 bu may come from Canada. Flour tariff has been reduced from 1.04 cents per lb to 0.52 cents per lb on the 4 million-pound quota, of which Canada is permitted to supply practically all. Barley tariff has been reduced from 15¢ to 7 1/2¢ a bu, and on malt barley, from 0.4 cents per lb to 0.3 cents, oats from 8¢ to 4¢ a bu, and rye 12¢ to 6¢. As an offset some duties affecting United States exports of grain and products have also been reduced by interested nations. Cuba has made a reduction on our malt, wheat, wheat flour, and certain feedstuffs. Canada has reduced duty on barley, corn, oats, rye and malt, and certain European and Asiatic countries have reduced their duty on our grains and feeds, while others have placed them on the free list. There are also other reductions too numerous to mention in this letter. There is 1¢ per lb reduction on soybeans, reductions in oils and fats, etc.

Primary receipts of wheat today totaled 1,916,000, as compared with 2,147,000 bu last week, and 1,829,000 comparable day of last year. There was some light precipitation over parts of the Southwest, although it was practically negligible in western Kansas. The five-day weather outlook for the Southwest suggests 1/4 to 1/2 inch of moisture in western sections, with some heavier precipitation in the eastern part.

Our wheat market had a strong undertone throughout the session, although the market is rather featureless. However, the CCC continues to buy some wheat each day; their purchases for the three reporting offices for the day ended noon Thursday totaled 878,000 bu. Country offerings of corn remain light, and that cereal is in a rather tight position, although the open interest in December has declined about 3 1/2 million bu during the week, but still stands at approximately 19 million bu.

A little bit more attention seems to be directed to Winnipeg barley, and to some extent oats, based on the thought that at some time during the year Canada might want to sell grains, as well as other products, in order to secure United States' dollars. Lower margin requirements in that country are also an attractive feature.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Nov. 24, 1947.

All markets were again very strong this morning. The overnight weather was construed as satisfactory, although the moisture both in the form of rain and snow occurred mostly over the Central States. The Southwest did not report much additional precipitation, but apparently they were pretty well relieved, and there was snow-covering in many places during the period when lower temperatures prevailed. However, the trade is paying more attention to the demand side of the picture then the supply. We were told that the United States Millitary Commanders in Germany and Japan were demanding more wheat from the Department of Agriculture, and that this might substantially expand the present export goals. According to Washington reports, CCC has already purchased most of their actual wheat to carry out the present export program to the end of March. . However, it is indicated that the government buying will continue, although at a reduced rate in order to anticipate requirements for the balance of the crop-year. It is still hoped that our carryover reserve on July 1, 1948, may reach 140 million bu or thereabouts, which, of course, would be larger than last year, but would still be less than normal. In the first seven months, according to Secretary Anderson, the CCC has purchased 265 million bu wheat and flour. In addition to this commercial allocations have amounted to 66 million bu, so that we can now account for about 331 million bu. It is still our belief that evenwith the tremendous crop, it would have been impossible to have accomplished this heavy volume except for the efficient use of the futures market.

At the hearings that are now taking place in the East, some of the officials still insist that the only feasible means to curb the speculative urge is by having the power of margins in government hands. In testifying before a Congressional Committee, Mr. Mehl said that he recognized the need for some speculation but that controlled margins in his opinion could be ordered without serious loss of market liquidity that was necessary in facilitating hedges. We cannot agree with this view in any sense of the word. At a time when Washington was insisting that the day's trade here in Chicago would not have to be over 3 million bu per day, there were periods when the lifting of hedges for government business alone was this heavy. It must be understood that every consumptive buyer does not directly meet every consumptive seller in the pit, and that it takes the scalping element to iron out the kinks, which might otherwise arise, and this is all necessary to prevent sharp distortions. A fluid market is only possible in which speculators operate and, therefore, they smooth out the buying and selling of grain with an efficiency and economy unrivalled in our own economic system or anywhere in the world. We have examples of some of the smaller interior markets, and even our central markets, such as Kansas City and Minneapolis often are not big enough to accommodate their local hedging trade. If the validity of hedging as insurance is accepted as an established fact, then it follows that the accommodation must likewise be efficient to take care of the requirements. Very often large futures orders arriving in secondary markets are first placed in the Chicago pit and then gradually worked back into the secondary market a fraction at a time. This often makes the difference between and orderly market and one in which fluctuations are wide apart. We have seen times when an order to buy a million bu of grain in the Kansas City pit would raise prices sharply, and we can, therefore, see nothing accomplished in trying to reduce the greatest hedging market in the world to the size of these secondary markets. At the present time CCC is only willing to buy cash wheat in Kansas City, basis the Chicago December future. As the normal hedge for Kansas City cash wheat is in Kansas City, this buying policy causes spreading between the two markets in order to have hedges in position when prices are set.

When the visible supply of wheat was posted, there was a decrease of 2,340,000 bu. The total in all positions is 127 1/2 million bu, or about 57 3/4 million more than last year. Chicago stocks showed a heavy decrease and there is only 3.4 million bu left here which was probably the reason for the strong premium of December over May. The corn visible showed an increase of a million bu. Total stocks are 9 million bu or 1 3/4 million bu smaller than a year ago.

Markets were all very strong. A good many new highs were recorded and there seems to be very little pressure from any source. This, more than any spirited buying, in our opinion, was responsible for today's advances.

The oats visible decreased 1 1/4 million bu. The total is now 21 million bu, and while not particularly large, it is, nevertheless,

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

November 25, 1947

There was nothing particular in the overnight news. Weather is about the same, and we look for little change in that direction for the next few days. There had been some moisture Northwest but not much in the Southwest. However, moisture that has been received recently has relieved some apprehension. It is naturally impossible to have very firm convictions on the outcome of the winter wheat crop, but in a general way it can be stated that the bumper yields we have had since 1944 are not in prospect for next summer. Billion-bushel crops are the exception rather than the rule. As a matter of fact, we have had only five of them in the history of our country, and four of them were successive since 1944 and were due not only to improved farming technique, heavy acreages, but also to very propitious weather. The big yields occur only when the four important southwestern states yield heavily. It is necessary for the far western districts to get more than average rainfall to bring this about. Therefore, if we had to make an estimate right now, we would hazard a guess that winter wheat production next summer will not exceed 750 million bu. This, of course, would still give us a chance to raise a billion bu total crop, although chances are somewhat against it. This being the case, we believe that the government should proceed cautiously and not permit our carryover reserve to sink to the low levels of the past two years. It is hoped that we may build up a carryover supply at the end of the season of 140 to 150 million bu, but even this is smaller than the ten-year average and is hardly enough to take care of our present large population in the event of a crop failure in 1948.

In corn we must appreciate that while the present crop is considered a failure, still it is larger than the ten-year average production prior to the war. Weather during October was favorable for maturing and drying the crop, and soft, wet corn is now expected to be only a minor problem this season. Therefore, the amount of merchantable corn could easily be fairly large, despite the fact that we have raised considerably less than during the past four or five years. Total feed concentrate supply in prospect for 1947-48 is 138 million tons compared with 162 million last year and 136 million tons, the five-year pre-war average. Feed prices continue to reflect strong demand, and this no doubt will mean smaller consumption to animals with the result that our people will probably eat about 10 pounds less meat this year than they did last. With active competition for the smaller marketings of corn and oats, feed prices are expected to continue high this winter and next spring. However, this factor will bring about the proper coordination of supply to demand, and is, therefore, healthy.

The government loan rates on 1947 corn will average $1.37 per bu nationally. However, with prices so much higher than loan rates only small quantities of 1947 feed grains are expected to be impounded.

In today's market December wheat was again the strongest, although reports from the Southwest are that marketings were somewhat freer, and thus there may be some deliveries before long, which might bring about some reversal of trade sentiment.

There are some supplemental allocations being announced right along by our government. Both wheat and flour to The Netherlands have been sanctioned for November shipment, likewise some flour to France and some wheat to the US-UK zone in Germany for December shipment.

Primary receipts of wheat amounted to 2,285,000 bu compared with 2,858,000 bu last week, and 2,262,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 265,000 bu

Late in the session there was some talk around that Congress would order the CCC out of the market, which probably accounted for the decline, but undoubtedly markets had been overbought. When liquidating sales came in, new support was rather thin, and lower prices were recorded. Nobody can tell just what will finally happen at Washington during the special session, but we doubt very much whether rationing or consumer controls are being considered very seriously. As we have mentioned so often in the past, higher margins would not be an answer to the problem; they simply mean less liquidity, and whenever stop-loss orders are reached it would only mean more violent fluctuations than in ordinary times.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Nov. 26, 1947.

The Office of Foreign Agricultural Relations of this country has now estimated that 1947 world production of bread grains is equivalent to approximately 5.8 billion bu wheat and 1.5 billion bu rye. This present estimate of wheat is about the same level as 1946, but 4% less than 1935-39 five-year average. The production was augmented by record crops in the United States and Australia, although the European bread grain crops suffered a reduction of about one-third from the five-year average mentioned above. It is the reduction on the Continent that has led to the serious food conditions, as bread constitutes a large part of the diet of the Continent, and in addition alternate foods are also scarce. It is due to the European situation that this country is called upon to play such an important part in the export of wheat.

Broomhall points out that the slow recovery of wheat production in Europe is one of the paramount reasons for present high world prices, and also accounts for Britain's inability to import animal feed which had to be diverted from feed to human consumption. At the Annual Convention of the National Association of Provender Mills of Great Britain and North Ireland, Mr. H. R. Humphries, Director of Animal Feedstuffs, stressed this situation. He pointed out that if Europe is to go into the world market to buy wheat to replace her big deficiency, it will put a strain on every other kind of cereal. The average five-year production, 1935-39, of European wheat was approximately 1,624 million bu. This was reduced in 1947 to 1,040 million bu-despite the fact that the population has substantially increased. It certainly appears that a harvest equal or even larger than the pre-war level will have to be completed in order to relieve the pressure of outside sources of supply, and until this takes place one can hardly anticipate any resumption to a situation that would resemble normality. Coupled with the European difficulties is a report from Switzerland that there is not sufficient hay this year owing to drought to maintain the cattle population of that country, and Holland is in a similar plight, and, consequently, cattle is being slaughtered.

More encouraging news is being received from the winter wheat belt. The Kansas Weekly Weather and Crop Report stated that rains and snows greatly relieved topsoil moisture, also conditions over much of the western half of the State during the week ending November have been relieved. Snow provided even and favorable penetration as it melted. Moisture was accompanied by considerable wheat seeding activity in the south central part of the State and in central and western counties many farmers have made plans to start seeding as soon as the surface dries sufficiently. The Missouri Crop Bulletin mentions that winter wheat is in very good condition throughout the State, with growth becoming rank in some counties and dry weather needed for pasturing.

Primary receipts of wheat today totaled 644,000 bu compared with 594,000 bu last week, and 412,000 bu last year. So far this week Kansas City and Minneapolis stocks show a total decrease of 598,863 bu.

There was nothing particular in the news to guide traders this morning, except favorable weather conditions, as mentioned before. Confusion surrounds the grain trade, and also the milling industry, concerning the President's request for sweeping domestic controls.

Meanwhile the CCC has been in the market only in a limited way, with no purchases being reported in Kansas City up until noon Tuesday, and with no interest being shown. Minneapolis office of the CCC reports 20,000 bu purchased, and the Chicago agency 10,000 bu. This situation will be watched very carefully for the next several weeks, and if CCC remains out of the market during that period there is a possibility of fair quantities being available for delivery against Kansas City December contracts. Cash premiums in the Northwest have declined materially, with some old wheat being offered as low as 2¢ over. At the moment there does not seem to be much probability of any sizeable deliveries of wheat in Chicago.

Chicago merchants have been meeting with only moderate response to offerings of corn for shipment East and elsewhere, and the demand apparently is not large enough to offset purchases of high moisture grades which are selling at consider able discounts, and which could be profitably dried to delivery grades.

Markets in all pits continue erratic, and rather wide swings in wheat were registered on a nominal amount of trading. There is not enough outside participation, due to high margins, to furnish a proper balance wheel during a day's session.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

November 28, 1947

There were no new grain developments over the Thanksgiving Holiday. Weather in the Southwest has been mostly clear and favorable, and the crop status has improved. Practically all dry areas have received some relief, and if present weather prospects continue, planting will undoubtedly be resumed. The five-day forecast suggests very little precipitation, with temperatures averaging 2 to 8 degrees above normal, which should enable field work to proceed.

There also are no new developments as yet from Washington. Hearings before Congressional Committees are still continuing, although it appears from the surface that there is a majority feeling against allocations and price controls. What will be done in the so-called attempt to curb speculation and furthering controls over commodity exchanges is still a guess, but there will be some important hearings next week covering matters that are vital to the proper functioning of the Boards of Trade, and in fact to the entire grain trade as conducted the past hundred years under our system of free enterprise. Our grain markets are still subject to erratic fluctuations with the punitive margins putting the delicate mechanism out of balance.

According to Sanford Evans' figures, the United States has exported from July 1st through the week of October 24th, 221,260,000 bu wheat and flour in wheat equivalent. From August 1st to November 20th, the four principal exporting countries: namely, Canada, U.S., Argentina and Australia, have shipped 263,690,000 bu wheat, or 65 million bu more than in the comparable period of last year. Of this amount the United States has furnished 76 million bu more than last year. Canadian exports do not stack up very well, totaling slightly over 61 million, which is somewhat under the average of 4 million per week. With winter setting in their supply of wheat at the lakehead is about 4 million bu less than a year ago and only totals approximately 18 1/2 million bu. News from Australia continues to be more favorable. Some private ideas based their crop as high as 260 million bu, which, if realized, would give them an exportable surplus of about 180 million bu, the largest in the country's history. However, their more brilliant prospects are somewhat offset by the small crop in the Argentine. In the latter country the basic price paid to the farmers for new wheat has been fixed at $1.61 3/4 per bu, but on any grain delivered after July 31, 1948, the price will revert to $1.37 1/2 per bu. It should be an incentive for producers to market their crop early in 1948.

The USDA's November bulletin on the feed situation refers to the fact that wheat prices, which were close to corn during July and August, advanced about 30¢ per bu during September and October, although corn prices declined in October. In early November wheat prices were about 50¢ per bu higher than corn, and their conclusion was that this difference should discourage wheat feeding. Since that time there has been an advance in corn but wheat prices are also ruling higher, in fact, have hit new crop highs.

Primary receipts of wheat today totaled 2,440,000 bu, which compares with 1,916,000 bu last week and 2,641,000 bu on the comparable day of last year. So far this week, stocks of wheat in Kansas City and Minneapolis show a decrease of 776,844 bu. When the visible is posted on Monday, it will compare with a decrease last year of 57,000 bu.

Primary receipts of wheat in the Southwest markets continue to run higher than a year ago. Undoubtedly there are many producers who are placing their wheat in terminal points so as to be in position to market same after the turn of the year without being confronted with any box-car or shipping difficulties.

Only 290,000 bu of wheat were reported bought by the Northwest office of the CCC for the 24 hours ending noon Wednesday and there were no purchases reported from Kansas City. There seemed to be no evidence of price fixing on the part of the government agencies during today's session. Grains in all pits this morning started with a firmer tone and despite the fact that the CCC is more or less sitting on the sidelines, there was very little resistance to the advances in any of the pits. All futures of wheat went into new high ground for the season and on advances such as we had today selling is noticeably absent due, in great part, to the present margin requirements. Furthermore, those who are long at the moment do not want to take profit. If they do, and care to re-enter the market later on, trades would be subject to the present 33-1/3% margin.

Tomorrow will be the first tender date against December commitments. As it appears, there will be no wheat tendered but undoubtedly there has been moisture corn dried which is in a position to be delivered.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 1, 1947

There is considerable dissatisfaction expressed among farmers in Canada against the "bulk" agreement made with Great Britain for the purchase of wheat. Prices now are being fixed for the 1948-49 crop at $2 a bu delivered at the lakehead. Even though the price is to be advanced over the last crop, farmers in Canada, on wheat sold to England, will still get considerably less for their crop than the world price. The wheat growers are called upon to suffer this loss in revenue rather than to spread the cost over all taxpayers through subsidies if it is the Canadian purpose to furnish England with cheap bread grain. What repercussions this will have on the acreage for next season is difficult to appraise. The producer is able to obtain a much better price for coarse grains on the free market, and arbitrarily setting the price on wheat may seriously interfere with deliveries, also the urge to plant a large wheat acreage. With wheat prospects in our own winter wheat belt diminished from last year, the Canadian farmer should be encouraged to increase his wheat acreage. In the past the main cause of raising a large crop has always been the profit incentive and this is totally lacking in the present arrangement with Great Britain.

Prospects in our own winter wheat belt have somewhat improved over the past ten days or two weeks, but are far from brilliant, and it will take better than average weather for the balance of the new-crop season. More optimistic crop reports are being received from sections of Europe. Heavy rains have fallen in most of Western Europe and improved winter crops. France may have a winter wheat acreage equal to the pre-war average, and there is now a possibility that their crop next summer could total as much as 285 million bu. Reports from Italy are more encouraging and that country has the possibility of a pre-war crop. Australia has a bumper crop in the making, and the overall world picture is more cheerful, and there may be less of a drain on supplies from the U.S. Other world crops also show an improved situation. The world sugar production is up 5%, or practically at the five-year pre-war average. This is also true of the world peanut production. World production of wool also indicates about as large a production as the five-year pre-war average.

Developments in Washington will be followed very closely this week. Interests attached to the grain and commodity exchanges will appear before the Taft Committee to argue against further controls over markets and problems confronting the different exchanges. Secretary of Commerce Harriman, appearing before the House Banking Committee stated that a return to general wartime price control would not work under present conditions, but on the other hand he recommended that the federal government be given authority to control prices, stating that he believed it would be possible to control a limited number of commodities, chiefly those that are most important to the cost of living and those most important in industrial operation. While he apparently does not feel that a program of overall government control of prices similar to that carried out during the war should be enforced now, he seems to believe that the authority should be given, to be used as it would seem fit, to control items, such as food, fuel, clothing, and shelter, and that controls should be imposed only after voluntary programs prove inadequate to halt rising prices. The difficulty with this program as we see it: first, that it means a form of socialism in this country; and second, that all prices are so interrelated any partial price control program would be doomed to failure, such as we found to be the case during the war emergency.

Primary receipts of wheat today totaled 1,713,000 bu against 1,629,000 bu a week ago and 1,469,000 bu on the comparable day of last year. The visible was not posted before the close of the market but Chicago wheat stocks decreased 627,000 bu and now total 2,771,000 bu.

The weather over the week-end was mostly fair and milder temperatures are reigning in the Southwest. There was no over-the-week-end grain news. Markets are suffering from lack of interest, with no purchases by the CCC reported in Kansas City or Chicago, and only 100,000 bu purchased in the Northwest. Kansas City reported intentions to deliver 205,000 bu wheat.

135,000 bu corn were tendered here Saturday, of which 35,000 bu were re-tendered. There was further corn tendered today but up to this time the quantity has not been published and it is expected that more will be put out tomorrow.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 2, 1947

The press, quoting Washington officials, states the best way in the world to lose the grain we now have on farms is to make it cheap. As long as all grain prices remain at relatively high levels with a good spread between wheat and corn prices, officials believe farmers will do a good grain conservation job. This theory has been held by a number of people, and we have seen in the government purchasing that they have bought enough wheat to carry their shipments till the spring, and in fact, only about 70 million bu wheat and flour still remain to be purchased by the government agency or allocated to the private trade to complete the 470 million bu program. Whether or not this quantity will be exceeded depends on the outlook for our new crop and conditions in this country. Officials anticipate no difficulty in buying sufficient grain to meet the compromise figure of 520 million bu, and possibly could even reach the 570 million goal set by the President.

We read with interest the administration's requests for price control and allotments, with suggestions by some officials that some prices would be rolled back if the authority were granted. Some of these spring from desires to offset another round of wage increases, but what satisfies one theory seems to irritate other conditions. Such dangers were pointed out by the grain trade in their appearance before the Joint Committee on the Economic Report of Congress. It was stated that with the control over margins in government hands, distribution of agricultural products, would be thrown solely into their lap, and the government would automatically possess itself of the power to control the allocation and use of grains and determine the price. The grain trade has never used margins to influence prices, and they believe that they should continue to serve no other purpose than to guarantee the sanctity and performance of a contract. The attempt to use them for any other purpose would introduce artificialities which would affect the fundamental operation of futures markets and their useful function. The trade has always contended that in distributing the use of cereals over the entire year futures have performed a most valuable service in transferring the risk from the producer who harvests over a short period and also assuring the consumer who might buy ahead of always finding a ready seller at the proper market value. Thus both producers and consumers are brought together and unwieldy surpluses were always avoided before government restrictions gradually crept into the market over the past decades. Agricultural prosperity has depended largely on producers always being able to find a ready market for their products. This was made possible through the medium of futures trading, with risk-bearers assuming the burden of price changes which others wanted to shift from their own shoulders.

During the past week CCC purchases were the smallest on the entire crop. They purchased 1,330,000 bu wheat, and PMA bought only 600 sacks flour. Currently the flour business continues slow with the agency inactive, and also foreign inquiry for December and January allocations is very small. Domestic flour buyers are also taking only moderate quantities, which has affected feeling in markets to some extent. It is assumed that there will be a greater desire for farmers to sell when we enter the new income tax period after the first of the year, and it is said there are some accumulations in market centers made possible by the improved box-car supply situation.

In some areas of the north plains of the Texas Panhandle recent moisture has been so scant that producers are still holding on to their last production fearing they will not raise much next year, and it seems likely that winter wheat acreages will not meet earlier intentions. There seems to be some likelihood of moisture in the Southwest, but in their five-day outlook, the government expects no abundance of precipitation in far western areas.

Primary wheat receipts continue to hold up being 2,108,000 bu, or slightly less than last week but compared with 1,717,000 bu last year. Stocks at Minneapolis and Kansas City so far this week decreased 187,000 bu.

After a rather sharp sell-off in the market, which seemed to be due to liquidation and lack of aggressive buying, prices recovered somewhat and we find that the market is often affected by high margins causing larger swings than we are used to, but at this high level they are somewhat in proportion to normal percentage changes.

More corn is apparently being delivered, as cash handlers find the futures market a better outlet currently than sales East because Ohio seems to be offering cheaper than Chicago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 3, 1947

There were some very good rains reported from the Southwest today, with moisture being received in areas that had been more or less neglected. We refer particularly to the North Plains of Texas; Amarillo had over 1/2 inch of rain; Pampa an inch, and other points reported up to 3/4 inch. Rains extended into Oklahoma and into the western areas of Kansas and are now moving Eastward. All in all the winter wheat crop prospects have improved materially over the past two weeks. Whether much more seeding can be done is a question but at least seed that has been put in the dry soil now has a chance to germinate. It will, however, take very good weather conditions between now and harvest to insure a good yield owing to the very poor start this fall.

The Agricultural Committee of the U.S. Chamber of Commerce has made a survey to appraise the demand, supply, and price of foods. Their conclusions bear out what has been reported by the grain trade for some period of time. Referring to the situation abroad they state that the current need is due to lowered production, a destruction of farm machinery and livestock, shortage of seed and fertilizer. The above coupled with unstable currency and shortage of transportation has affected the food situation. As far as our high prices, the report points out that the population of the U.S. has increased approximately 15 million people above the five-year pre-war average; second, that the national income for the first nine months of 1947 was running at the rate of nearly $200 billion per year, which is three times the average national income during the five pre-war years. The increase in income accounts for the accelerated demand for food and other agricultural products. There is further a 50% increase in the number of workers employed over what existed prior to the war. The report concludes that "other nourishing and helpful products are available at relatively low prices. These include many fresh and canned foods, vegetables, raisins, prunes, potatoes, poultry, cheese, etc." A more careful selection of the diet might help to combat the so-called high cost of living.

In connection with consumption in this country, Mr. E. A. Meyer, Administrator of the Research and Marketing Act of 1946, gave some very interesting figures when he appeared before the annual meeting of the American Agricultural Editors Association held in Chicago. He pointed out that with the exception of bread, butter and potatoes, the consumption of normal staple food items has increased appreciably from pre-war days. He estimates that the average American now eats 3 lbs. of meat a week compared with 2.4 lbs. pre-war; 3.6 quarts milk and cream compared with 3 quarts;2.2 ounces cheese compared with 1.7. The egg consumption per week is 7.3 eggs compared with 5.7, and 11.9 ounces of canned and frozen fruits as against 6.1. However, the consumption of fresh fruit is practically the same as pre-war. The use of fresh vegetables has increased and canned and frozen vegetables have jumped to 15 ounces against 9.7. The consumption of potatoes and butter show an actual decrease, although as a substitute for the latter item margarine has increased. Thus, from his report, it would seem with the rising national income the average American is eating much better.

Primary receipts today totaled 754,000 bu compared with 644,000 bu a week ago and 1,149,000 bu the comparable day of last year. So far this week Kansas City and Minneapolis stocks show a net decrease of 203,108 bu.

The Nebraska Weekly Crop Report speaks very optimistically of the outlook for winter wheat in western Nebraska, with improvement also in the eastern two-thirds of the State. The Missouri Weekly Bulletin reports wheat condition as excellent and good pasture lands. CCC still seems to remain on the sidelines as far as Kansas City and Chicago are concerned, and no purchases were reported through noon of yesterday.

Our markets opened with a generally weak undertone and further liquidation of December contracts. However, as the session progressed corn became strong and led the way for a recovery in other cereals. PMA apparently purchased flour on the Pacific Coast as there was some evidence of hedge lifting in our markets. There has been no wheat tendered here but in Kansas City tenders are being made each day and today's deliveries are estimated around 245,000 bu. Further corn was tendered in Chicago, apparently elevator interests finding it more profitable to deliver No. 3 yellow corn than to merchandise same. So far very little of the corn delivered has been retendered.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 4, 1947

For the past two days the grain trade of this country has told the story of marketing to a Legislative Committee in Washington headed by Senator Taft. There were grain men there from Portland, Oregon to Philadelphia, Pennsylvania, explaining the functions of marketing and the ease with which hedging operations could be handled under normal conditions. There was also a Canadian at the meeting, who told of the complete government control that exists in that country over wheat in order to prevent speculation in markets, and he showed how this was all at the expense of farmers, but at the same time those who signed the agreement for Canada have now themselves engaged in the greatest wheat speculation of all time, for they have sold short 600 million bu unproduced wheat over a term of four years and for prices that they could not foresee. They sold short not with their own money, nor with the government's money, but with the future income of the Prairie Province farmers. It was further shown by millers, bankers, grain men, and others interested in grain marketing that the mechanism of the exchanges, which had been perfected over a period of nearly 100 years was like a very fine watch, made up of hundreds of parts, each delicately balanced to do this work properly. It was pointed out that if one or two of these parts were removed by strangers who are not familiar with the mechanism, the whole instrument might break down, and thus we believe some progress was made in acquainting these people with the system of marketing that has not only stood the test of time, but which has proved to be the most orderly, swift and economic machinery for marketing ever devised by human skill and experience. Therefore, it plays an essential role in our daily lives.

Attention was called to the fact that if we export 500 million bu wheat in the current season, that it will be more than the total production of Argentina and Australia. It was shown that 500 million bu wheat was about 160 million bu more than was raised last summer in Canada. It was pointed out that 500 million bu wheat is the quantity eaten in the form of bread or cereal by every man, woman, and child in this country. It was likewise pointed out that such exports would be about five times the normal quantity shipped each year since 1930. Thus it is not surprising that present prices are high, particularly if anything should happen to next year's crops.

The overnight news was more encouraging with respect to Southwest moisture, although some people in Kansas point out that it may be too late to do any additional seeding, and that with a poor start, only reasonable improvement may take place. Nevertheless, prices were lower, and there was not quite the enthusiasm which we noted yesterday. Rains overnight were general over the North Plains' territory of Texas, ranging from 3/4 inch to more than an inch, and that far south there seems to be a fair chance of still getting some wheat into the ground, provided temperatures permit. Consequently, with the rather small milling trade that is being experienced, we had some selling by longs, although volume was not particularly heavy. Broomhall, in commenting on European conditions, pointing out that the crop was about one-third smaller than pre-war, does call attention to the fact that Australia is harvesting a record wheat crop, but also indicates that export prices are advancing continually, and as we have mentioned in past letters, this is happening even without a futures market. In the Argentine harvesting of a rather small crop makes it apparent that the export contributions from that country will be only nominal, plus the fact that the prices are very much higher than those prevailing in the United States.

Primary receipts of wheat today amounted to 1,636,000 bu. Last week was a holiday. Last year, they amounted to 1,339,000 bu. Kansas City and Minneapolis receipts so far this week show a net decrease of 91,000 bu.

There seems to be a little feeling that the government's indifference at the moment is due to the fact that they have relatively smaller quantities yet to purchase to fulfill their goals, and with some improvement anticipated in the dry areas, markets today were quite weak. A good many people regard the price of July wheat as high although it is still selling at a big discount under May. In any case, there seems to be little more cautious trading but prices are so easily influenced now by small orders it is difficult for brokers to render executions that look satisfactory based on previous experience.

Corn was strong and the movement from the country is light. Farmers may be waiting for the next calendar year to market corn for income tax purposes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 5, 1947

Secretary of Agriculture Anderson, appearing before the House Ways and Means Committee on Wednesday, intimated that the USDA would be buying very little wheat until after January 1st. While there is no other confirmation it does appear likely that the CCC may not re-enter the wheat market to any extent until after the turn of the year. Export requirements for at least the first two months and possibly into the third month of 1948 must be pretty well covered, leaving the government agency in position to step up the export program the last several months of the present crop year, provided new crop conditions are favorable. At the present time the moisture situation throughout the entire winter wheat belt area has materially improved, and prospects compared with a month ago have been greatly enhanced. However, the real outturn from the 1947-48 crop will probably not be known until nearer harvest time. With wheat in some areas planted late and in other sections dusted in, there will be many conjectures as to the final results during the growing season.

While no figures have been released, the amount that will be fed to livestock this year is now probably being estimated around 250 million bu as compared with an earlier estimate of 325 million bu. If the domestic disappearance should be in the neighborhood of 835 million bu, exports should not exceed 450 million if we are to be left with a carryover of 200 million, which is considered by many in the grain trade to be the minimum for safety.

There have been no new developments in Washington. The holiday season is rapidly approaching and Congress will no doubt want to adjourn within the next two weeks; therefore, it is questionable whether any new legislation, as far as agricultural products are concerned, will be written in this special session.

In the battle to control inflation, at times political expediency seems to be put ahead of fundamental and basic principles. There seems to be a fair segment of our legislators who are thoroughly convinced that if we are to keep up our ways of democracy and free enterprise, there should be no restrictions, such as price controls, rationing, punitive margins, etc. The attempt to control prices is as old as history. It can be traced back to the days of Pharaoh. All the schemes were doomed to failure. Present controlled economies in other parts of the world are leading to great difficulties and suffering. This country alone has stood out as a bulwark of both industrial and agricultural production. There are certain fundamental principles that should be corrected to stop the spiral of prices. Prices are no more the cause of inflation than a wet street causes the rain. It would seem to us the American people as a whole are sufficiently alert to be made aware of actual conditions and not to be served a lot of palliatives.

According to the figures of the Bureau of Agricultural Economics, the slaughter of cattle and calves in 1947 is the greatest on record and much in excess of 1946. However, this unusually heavy slaughter, reducing the number of cattle on farms, probably indicates a smaller number available in 1948. The Bureau is forecasting that feed cattle next summer will probably rise more than seasonally as marketings then may be on a smaller scale.

Primary receipts of wheat today total 1,121,000 bu as against 2,440,000 last week and 1,387,000 the comparable day of last year. So far this week stocks at Kansas City and Minneapolis show a net decrease of 70,505 bu. When the visible is posted on Monday, it will compare with a decrease last year of 8,733,000 bu.

Deliveries continue in Kansas City against December contracts, and this plus the lack of support from CCC together with better weather conditions throughout the winter wheat area has led to liquidation in all pits. Although at times some strength was registered, particularly in corn, as the session progressed and liquidation continued, stop-loss orders were encountered and lower quotations generally registered. A lower securities market also contributed to the weakness in grains.

CCC office in Kansas City Wednesday noon to noon Thursday reported the purchase of only 3,479 bushels wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 8, 1947

The recent weakness in the stock market has been largely due to nervousness over European developments, although today a little more firmness was noted in securities. It is obvious that European relief must be of a twofold nature. First of all, the present grain emergency has been brought about by poor crops that were raised last summer, and to this end it will require considerable importation between now and next harvest. However, the far greater effort will be to assist those foreign countries, if it is finally deemed practicable by our Congress, in rebuilding their destroyed capital goods, so that one day they may again be back on their feet. Whether this is best accomplished by sending over foods and grain has always been questionable in our minds, or whether it would be far better to send them machinery, fertilizer, and seed in order that they can try to work out their own salvation. Opinion seems to veer a little more to the idea that any relief or loans should be only for a period of a year at a time rather than to formulate plans too far ahead, particularly since we have no idea that we shall be able to furnish nearly as much grain in the years to come as we have in the period of these phenomenally large crops, four of which had been over the billion-bu mark with respect to wheat.

Some people are questioning whether relief work could be carried on more efficiently and economically if it were administered by the Red Cross or by some other charitable organization that has had great experience in this field. Others are beginning to wonder to what extent we can be helpful if the agricultural sections of Eastern Germany now held by Russia remain uncooperative in helping to do their part. As we have pointed out so often, the middle European countries now held by Russia have generally been the surplus producing countries of Europe, and very likely whatever surpluses are raised in these areas will go to Russia rather than toward helping European nations. For many years in the past surplus agricultural products were traded for the manufactured goods furnished by Western European countries, particularly Germany, France and England. If this entire program is altered so that the normal prewar flow of trade will be prohibited, it will naturally be a greater drain upon the other surplus countries of the world for many years to come.

When our market opened this morning, prices were somewhat firmer but there seemed to be some realizing sales on the theory that the government would probably be out of the market except on recessions until after the turn of the year. Having purchased their wheat requirements as far ahead as next March, they can naturally afford to go slowly on the buying side, particularly since many people are of the opinion that the country movement of wheat will expand after the first of the next calendar year. Besides this, there have been some deliveries of wheat in the Kansas City market, and Kansas City December wheat is selling at about a shipping difference under Chicago, although we have not heard yet of any grain moving here from Missouri river points. Nevertheless, it is a threat, and has probably been responsible for some narrowing of the December-May futures in Chicago.

When the visible supply of wheat was posted, there was quite a heavy decrease, and it amounted to over 7 million bu. Total stocks in all positions are 117.8 million bu, which is still about 57 million bu greater than a year ago. Chicago wheat stocks declined 46,000 bu, leaving 2 3/4 million bu here.

After mid-session there was good recuperative power to both the corn and the oat markets. This was immediately reflected in wheat with the result that there were higher closing quotations in all pits. Trade is rather light and it seems to take only small buying or selling orders to influence markets.

The corn visible increased 599,000 bu to a total of nearly 11 million bu compared with 17 million bu a year ago. We understand from information coming from the Southwest that the advance in corn relative to wheat is resulting in larger feeding of wheat, and also, that wheat feeding has increased west of the Rocky Mountains, all of which indicates the importance of the relationship pricewise between these two cereals.

Just before the close it was reported that PMA was back in the market for flour, which also caused a little friendlier feeling in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 9, 1947

When we look at wheat prices each day and regard the $3 level, there certainly can be no dispute as to the fact that even with a depreciated dollar, prices are high, and inflation is already injected into the grain picture. However, as one of the New York banks, in its monthly letter, points out, the fundamental question raised by the President's suggestions is whether the country is to attack inflation by dealing with its causes or by attempting to suppress its symptoms. As the writer of this letter pointed out before the Taft Committee in Washington last week: "Prices are the thermometer merely registering changes of conditions and not the cause of the disease. To fool with the thermometer and to claim it helps protect the health of the patient is the lowest form of economic quackery." There can be little doubt that the present large exports of wheat and flour are only possible in years when we raise unusually large crops. Since 1944 we have had successive wheat yields of a billion bushels or more, and still there have been only five years in history when this has been true.

On the 17th of this month the government will give us final figures on the 1947 production, and we are not looking for any great change, to be made. However, the following day: namely, December 18th, we shall have estimates on next year's winter wheat production. This in our opinion will be very important, although it must also be borne in mind that any forecasts made in December are more or less guesswork, based upon an early outlook, and at the present time we appreciate that in certain sections of the country the crop has not started under very auspicious circumstances. A year ago the government made the winter wheat yield 946 million bu, although we finally raised 1,095 million bu. In looking over the various states that produce so heavily, we find that Kansas had a prospect then for 239 million bu, and it would be our own guess at the present time that probably not more than 150 million bu will be harvested next summer unless we get unusually good weather from this time forward. However, the other Southwestern states, such as Nebraska, Texas and Oklahoma, will probably not make a correspondingly poor showing, and as an offset there are quite a few areas where the condition may be better than a year ago. We have in mind some of the Central States, like Illinois and Ohio, but nevertheless a crop of 750 million bu even with a large acreage might be all that we could expect as of the present date. The ten-year average winter wheat crop in the years 1935 to 1944 amounted to 618 million bu, which included some drought years, and likewise one or two years of very heavy production. Still with our domestic consumption considerably greater now than in pre-war years, it must be quite obvious to everyone that our supply and demand is much more evenly balanced than formerly, and that consequently we are much less dependent on export outlets than we were in the days when home usage of wheat and flour averaged less than 700 million bu per year.

Primary receipts of wheat amounted to 2,431,000 bu; this compared with 2,108,000 bu last week, and 1,833,000 bu last year. Kansas City and Minneapolis stocks so far this week show a good increase of 65,000 bu.

The carryover feeling from yesterday was a little bit bullish owing to the fact that PMA had reentered the market, and it was understood that further flour business had been worked late yesterday. However, the amounts appear not to be very large, although some hedges were again taken out of the pit today. It was also claimed that additional allocations of nearly 5 million bu of wheat to the occupied zones had been granted. It is our understanding, however, that of this quantity approximately 3 million bu has already been shipped. It seems that under the present procedure cargoes carry excess capacity, so that the allegedly new allocations of wheat for December are more or less of a bookkeeping entry, and do not represent any large quantities still to be purchased. There may be a little over one million bu of wheat involved, according to information we get.

Early in the session all grains were very strong, and pressure was light, but later on wheat prices sagged when it was learned that most of the hedges covering additional business had probably been covered, and best prices of the day were not maintained. There had been some fine moisture overnight--as much as 2 to 3 inches of snow in Kansas; it looks as though light rain or snow will occur in the southwest districts, and temperatures generally will rise over all sections.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 10, 1947

There was nothing particularly new in the grain situation overnight except that numerous reports came from southwestern areas telling of the wonderful snows which had visited a good many sections. The northwestern part of Kansas was apparently skipped, but elsewhere precipitation was very good, and some was also reported in the Central States, so that undoubtedly a good deal of improvement has taken place at least where the wheat had been sown, and especially so where the seed had germinated. Nobody can be quite sure as to what Washington will finally decide with respect to price control and rationing, although we are more and more convinced that the public is not desirous of having further restrictions imposed. If we compare prices that prevailed under OPA with present markets, of course, there has been a tremendous rise but one of the eastern banks points out that the comparison should be made between black market prices that were prevalent before OPA was repealed. On that basis many articles today are selling lower now than the price at which they were obtainable during the summer of 1946. It is likewise true that not too many people are placing credence on the many statements that speculation has caused the big advance. Even assuming, however, that speculation had anticipated the rise in grains, it must likewise be admitted that, insofar as wheat is concerned, it encouraged economy in feed use, and certainly less wheat went in the hog trough at the $3 level than would have been consumed if the price had been 50¢ per bu lower. Thus we are very likely to save 75 million bu through reduced animal consumption, and this has been admitted by Secretary Anderson, who recently reduced the estimate of wheat for feed from 325 million bu to 250 million bu. Before the recent Joint Committee, the Secretary of Agriculture stated that in his considered judgment the way to halt the fattening livestock is to let grain prices find the level where feeders are priced out of the grain markets sufficiently to reduce slaughter weights.

When our market opened this morning, little attention was paid to the weather, and we believe that the firmness was due largely to lack of pressure. There is an adage in the grain trade that anyone short during December generally does not enjoy his Christmas holiday. As we have said before, these calendar periods are not just superstition but are very often due to definite circumstances that occur. After the close of navigation movement from the country very often subsides, and we then are making heavy inroads on the accumulated surpluses, which is now taking place; we had our first big decrease in the visible supply on Monday. This period of firmness ordinarily lasts until about the 10th of January, by which time Southern Hemisphere pressure starts and becomes quite an important factor. We are not looking for any large clearances from the Argentine but Australia may furnish a considerable quantity of wheat during the first three months of 1948, but still there is a question whether this will have much market influence owing to the fact that demand from Europe far exceeds the amounts available in surplus countries. Likewise we doubt whether many of the domestic mills will close for inventories early in January, as they often do. Judging from recent business the domestic demand has been comparatively small, so that bakers and grocers will be in the market for flour rather constantly. A good many people have anticipated that there would be a heavy movement from farms after the turn of the year, and thus have been waiting for easier markets before buying more aggressively.

Primary receipts of wheat were very light today, and amounted to only 770,000 bu. This compares with 754,000 bu last week and 891,000 bu last year. As we stated earlier movement during December is not often heavy. Kansas City and Minneapolis stocks so far this week show a net decrease of 22,000 bu.

Markets were rather indifferent until about mid-session; at that time corn became very strong. The December future went into new high ground, and gained considerably on the later months. This brought some buying or covering into other pits. Wheat was finally very strong, although we did not see much evidence of new flour business, nor was there any talk of further purchases by PMA. Nevertheless, the line of least resistance was on the constructive side of the market. The December future continued to gain, and while there may have been some wheat worked from the Southwest to come to Chicago, we doubt whether quantites have been large. There is still 10 million bu December wheat open, or half as much as July, and less than two weeks yet before trading in the nearby month terminates.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 11, 1947

Roland S. Vaille, Professor of Economics and Marketing at the University of Minnesota, appeared last week before a Legislative Committee, and under cross-examination was asked whether in his opinion uninformed speculators distorted the market. He made this comparison. In a class of 300 students each one was asked to estimate the length of a table. Many of the pupils in their guesses were far wide of the mark, some guessing it as much as two or three feet too long, others too short but the average of the 300 came so accurate to the actual measurement of the table that when a ruler was used, it was found that the composite picture was within one inch of being correct. Thus he explained that when thousands of speculators from coast to coast are in the market,each using his own judgment, that it is far better to have values thus appraised than by having a single entity making the decisions.

During any period of inflation, and particularly such as this, when the value of the dollar has been changed, the first advances in prices seem beneficial to the economy and are welcomed by merchants holding inventories. However, as the trend continues many painful conditions arise. We find at the present time that automobiles in some cases have nearly doubled in price. In order not to make the value appear excessive to the consumer, dealers often make their quotations not for the complete job but just for the bare vehicle with all accessories separately added. Likewise bourbon whiskey, which for years was sold by the quart, is now being sold by the fifth-gallon. Radios, which are widely advertised, generally have the price in large letters but in small print have the notation that batteries are extra. Bananas, which formerly were sold by the dozen, are now sold by the pound, making a dozen bananas cost around $1 or more. Another example is peanuts, which were formerly sold by the pound but are now quoted by the quarter-pound in order to lessen the pain for those whose memories extend back to the pre-war days. We note that the Ingersoll Watch, which was famous for its price, having sold in 1940 at $1, will soon be back on the market but will cost $2.50. Grains, however, remain unadulterated and are still sold in dollars and cents per bushel. Therefore, present prices appear too high to some people, but this might have gone unnoticed had we changed the measure of unit to the kilo as was done in other commodities. Consequently, many people are trying to find a solution for the present situation, but we still maintain that changing the marks on the thermometer is only a subterfuge and that the real cure is either greater production or lessened demand from needy nations.

Primary receipts of wheat were again very moderate, amounting to 1,083,000 bu compared with 1,636,000 bu last week and 1,149,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 102,000 bu.

While markets were rather firm early on covering of hedges for mill account, there was profit-taking, and some talk from Washington that in connection with anti-inflation measures further regulations of speculative trading on commodity exchanges might be sought. However, there is nothing definite on this, and it may be asked on an entirely voluntary basis. After mid-session the House voted to limit wheat and flour exports to the end that we would have a carryover reserve on July 1, 1948, of at least 150 million buwheat. On that basis it was figured that total shipments could probably amount to about 450 million bu. If, however, the winter wheat crop promises to be 700 million bu on the May 1st government report, and there is a normal spring wheat acreage, the carryover may be permitted to run down lower than 150 million bu. At least it is some provision or an insurance that if anything should happen to the winter wheat crop we would assure ourselves of moderate reserves for the next season. Meanwhile, Mr. Truman has intimated that price control legislation would be ready in a few days. This has caused some uncertainty, and may have been responsible for some of the selling.

Overnight weather showed very little precipitation; temperatures are lower but we are convinced that the recent moisture will bring some benefits. Those to whom we talk in the Southwest feel that offerings from the country will enlarge quite a bit after the turn of the year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 12, 1947

There have been such tremendous strides in agriculture even during the last ten years that few people appreciate what this may mean for the future of our country. For example, it is estimated that the use of hybrid corn seed has added 400 million bu to the corn crop, and while, of course, this has not all happened in recent years, it is true that the majority of farmers are now availing themselves of better seed, and this refers not only to corn but likewise to oats, wheat, and other grains. In the five-year period from 1940 to 1945, tractors increased at the rate of 57%; grain combines increased 74%; corn pickers 53%; and electric milking machines 117%. Twenty years ago, soybeans were little known or appreciated, but we find that the acreage from 1914 has increased from 500,000 to 14.2 million acres in 1945. This could probably be carried on in many other fields but at least it shows what strides are being made.

In spite of all this progress, everyone in Washington seems to have some sort of plan to get prices down when they are high or to support them when they are low, and for the average trader today it is most difficult to have very strong convictions because of the various proposals that seem to emanate from Washington almost every hour. President Truman still wants his plan to be put into effect without any changes whatsoever. The opposition is willing to accept some of the proposals but feels that others are basically uneconomic. In many cases the laws of supply and demand are almost thrown aside, as if they had no bearing upon the price structure. However, we have always had more or less of this sort of thing except in the past there were not the continual outbursts.

In 1833, Daniel Webster made the following statement: "There are persons who constantly clamor. They complain of oppression, speculation and the pernicious influence of accumulated wealth. They cry out loudly against all banks and corporations and all means by which small capitalists become united in order to produce important and beneficial results. They carry on mad hostility against all established institutions. They would choke the fountain of industry and dry all streams. In a country of unbounded liberty, they clamor against oppression. In a country of perfect equality, they would move heaven and earth against privilege and monopoly. In a country where property is more evenly divided than anywhere else, they rend the air shouting about agrarian doctrines. In a country where wages of labor are high beyond parallel, they would teach the laborer that he is but an oppressed slave."

Primary receipts of wheat today were again small, and amounted to only 946,000 bu. This compared with 1,121,000 bu last week and 1,217,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 97,000 bu. When the visible supply is posted next Monday, it will compare with a decrease last year of 5 1/4 million bu.

There has been a great deal of controversy over the price of wheat and corn in relationship to feeding, it being rather generally accepted that a 50¢ premium for wheat discourages its use in the feed market. In Chicago, there is about a 50¢ spread between the grains but in Kansas City the futures are only about 30¢ apart. Farther west where corn has to be shipped in it is priced against locally grown wheat so that wheat figures cheaper. This is particularly true of areas west of the Rocky Mountains which were shipping wheat east, but now with higher prices for corn, the use of wheat in those areas has been expanded. In the large feeding areas, such as the corn belt and farther east, it is doubtful that there is much wheat used in this manner. Even corn for shipment from Chicago finds only reluctant buyers in the east as intermediate places can offer corn cheaper than Chicago. In another month, we will get the government estimate on the stocks of all grains in various positions, at which time the six months disappearance of grains may be more accurately figured. Meanwhile, there is a large movement of hogs to market and the feeding of cattle in the grain areas is greatly reduced from a year ago although still at a rather high level.

The fact that the recent purchase of flour by PMA has ceased to be a market factor, and at the moment there is no support from further purchases on the part of the CCC, has given an easier tone to all pits and liquidation has been more in evidence.

Deliveries of corn continue in Chicago and it is somewhat tempering sentiment in that cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Dec. 15, 1947.

Within a few days we shall have the government estimate as to next year's winter wheat crop, and because of the uneven stands on wheat last fall, there is a great variance as to what the figure will show, forecasts running from 650 to 850 million bu. There has been some improvement in the weather, but it is difficult to tell at this stage to what extent it has benefited crops, and we shall probably have to wait for growing weather next spring until this can be accurately determined. In Europe, farmers have made better progress with late sowing operations. Most countries have received moderate but fair rains; although further precipitation would have been welcome, the improvement according to Broomhall was undeniable. Targets for winter grain sowings in Southeastern Europe had about reached completion when his last letter was written from Liverpool the end of November. Some delay in Germany was reported where growers have concentrated on completing their delivery quotas from the 1947 harvest. There is some improvement in the United Kingdom, although it will take a lot of rain to make good the depleted soil moisture reserves in many sections. Before the war Europe raised about 1 1/2 billion bu wheat; last summer only about 1 billion bu was harvested, and it is reasonable to expect that possibly 1 1/4 billion bu may be the result under average conditions for the 1948 harvest.

Here at home inflation is still the foremost topic of conversation. Even the government has recognized officially the fact that we have been stricken with this malady. For a long time Washington knew that prices were rising but not until quite recently has it given them much concern. Wishful thinking that prices might turn soon did not work out the way it was hoped for. Apparently more people worried about a depression in the bushes than about the inflation already at hand. The more we spent for European relief, the greater the dilemma became, although there were insistent statements throughout the post-war period that the handouts to Europe had very little, if anything to do with the domestic rise in prices. Now with the sudden about-face it is being freely admitted and emphasized that the inflationary character "to save the world from bolshevism" is necessary, but that still proper steps can be taken to prevent further inflationary tendencies at home. The final answer was the President's proposal to the Congress, which included the placing of markets in a strait-jacket suggesting reimposition of price ceilings, rationing, allocations, etc., most of which seem to have little chance for final passage during the emergency session. Another thought expounded was raising margin requirements on the Commodity Exchanges, which in our opinion is no solution but is only another hope of curing the symptoms that aggravate the ailment.

When the visible supply of wheat was posted, there was a decrease of slightly over 3 million bu. Total stocks in all positions amount to 114.7 million bu, which is still 59 million bu larger than a year ago. Chicago stocks showed a slight decline but there is only 2.6 million bu in this market. The U. S. corn visible declined 338,000 bu and there is about 9 1/2 million bu less in the total than in 1946.

Markets were rather erratic today being intermittently strong and weak. About the only news over the weekend was to the effect that total grain clearances for five months had amounted to 281 million bu. It seems that the current shipments are about 40 million bu per month, and it is our belief that we shall still have a pretty fair-sized wheat carryover next July although smaller than the normal. For the time being, sentiment is mixed. There are those who believe that the country movement, after January 1st, will be larger although a good many people in Kansas are rather dubious and believe that it will take a price of $2.80 per bu or higher to tempt the farmer. Right now, producers have plenty of money and do not feel the urge to sell.

Corn fluctuated more or less in sympathy with wheat and there was no special feature.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 16, 1947

There was no special grain news overnight, but it is quite apparent that there is no particular pressure from first hands, and this refers to corn as well as to wheat. Generally at this season of the year we find reasonably good corn receipts and consequent increases in the visible supply, but yesterday there was a decrease. From what our friends in the country tell us there is no likelihood that there will be a very large movement from farms even during January, when ordinarily we build up our reserves. Marketwise, it seems that without much pressure we get fairly good rallies from breaks, but on the other hand there is little evidence of much new buying coming into the pits. This is easily understood because with the wheat price close to $3 and the speculative margin $1 a bu, it takes great courage and financial stamina to trade heavily.

There seems to be little new from Washington at this time, although it still is apparent that a good deal of attention is being paid to the carryover stocks, and we understand that both Houses of Congress are desirous of seeing to it that regardless of what the exports are and what the demand may call for, we still look out for ourselves first and try to have 150 million bu wheat on hand next July. If the food supply were suddenly cut off, many of our large cities would soon face starvation and few of the densely populated areas have more than a month's supply of food on hand at any time. The simple fact is that our national industry concentrated in large cities can only operate efficiently so long as the nation's farmers produce food and fibres in sufficient quantity above their own needs to feed and clothe the industrial population. Last year when our reserve stock of wheat was reduced to 83 million bu, it created some hardships, although the bumper wheat crop which followed relieved any anxiety that might otherwise have been felt.

We hope that our government will learn from the examples that are being set in many of the European and Asiatic countries. Just a few days ago everyone in Russia was asked to turn in 10 rubles, for which he received one in return. This is their method of fighting inflation--to lessen the spending power of the people. In France, the establishment of price by governmental decree has not worked out satisfactorily. The main reason for this situation is that farmers have refused to deliver livestock at official prices because they considered them too low. As the Wall Street Journal pointed out recently, if the French farmer takes his goods to town, he can come back with his pockets stuffed with francs, but the francs will buy nothing that he wants. To save them would be foolish, for their value will decrease. So he does not take his produce to town. He feeds his grain to animals and then eats the animals. He eats meat daily, including Tuesday, and the grain to feed the people in town must then be shipped from overseas. In spite of all this failure, there apparently is no concerted demand in France, for the scrapping of price controls and the restoration of free markets. We believe that in this country every legislator should appreciate that a market mechanism hardly seems the logical instrument to use for the correction of social inequalities.

Before long Southern Hemisphere harvests should ordinarily furnish shipments to the importing world. We understand that the Argentine government has sold Brazil 18 million bu wheat at $4.85 a bu. at the seaboard. Strangely enough, payment for this wheat is to be made in American funds. Australian production is still expected to be large, which is fortunate, because last year with the poor crop they were able to export only 47 million bu from August 1st to beginning of November compared with 56 million bu a year ago. Apparently, they will be in much better position to resume export trade on basis of present fine prospects.

Primary receipts of wheat today amounted to 1,468,000 bu compared with 2,431,000 bu last week and 714,000 bu the same day last year. So far this week Kansas City and Minneapolis stocks show a net increase of 41,000 bu.

Markets were only reasonably active and moved within a comparatively narrow range. We believe that between now and Christmas this may be the pattern unless there should be any great surprises in the crop reports that will be issued tomorrow on the final outcome of the 1947 crop or the following day's forecast of the winter wheat production for 1948. In sympathy with a somewhat higher corn market and moderate strength in December wheat, other wheat futures closed somewhat higher. We believe there is some wheat being shipped here from Missouri river points for delivery purposes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Dec. 17, 1947.

There was no special grain news overnight. However, after our market had closed yesterday, sentiment became just a little more bearish on wheat for the reason that rather large quantities had been shipped from southwestern points to come here for delivery purposes. We find it difficult to check the actual amounts, but possibly as much as half a million bu will be loaded from Wichita, Hutchinson, and Kansas City, plus the fact that about 300,000 bu has already been tendered. There are those who feel that after the turn of the year, offerings from the country may be a little larger, and with this in mind cash wheat is slightly reactionary, or at least the demand has slackened, with the milling trade slow, and no further activity on part of the government.

Tonight we shall have the first of two government reports dealing with the final figures of 1947 production, but no great surprises are expected. Tomorrow's report estimating the 1948 winter wheat crop will be eagerly awaited for the reason that there is so much difference of opinion as to what we may expect.

There is still a good deal of discussion in Washington on disclosing names of large traders or public officials who may have participated in the market. We wish that more attention would be centered on the useful functions of our industry in connection with distribution and economy afforded by futures trading. Certainly a free market is necessary for a free functioning agriculture, and experience has shown that such a market by virtue of its freedom has always been available to anyone who needs it. Its limitations are known, and its terms are relatively stable and predictable. Whenever we have had controlled markets in this country or have observed them in foreign lands they were arbitrary and unpredictable. Here at home free markets have rewarded initiative and originality. A controlled market often limits or eliminates the effect of these factors, otherwise control cannot be maintained. By the very fact that we are trying to favor maintenance of a balance between supply and demand, the more we feel that our economy requires stability whereby the price can be left free to compensate for unknown and immeasurable changes in conditions that affect the size of existing demand. The free market plays such an important function for farmers and consumers alike that the very thought of further controls is regarded by many as a danger to our whole economy.

. The President this morning signed the $597 million Stop-gap European Aid Bill, which was one of the main reasons for the special session, and we presume that within a few days most of the Congressmen will be thinking more of their Christmas Holiday and their families at home than of new laws, and particularly those of a controversial nature.

Primary receipts of wheat amounted to 918,000 bu compared with 770,000 bu last week and 1,177,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 150,000 bu.

Trade was again very moderate, probably the same as yesterday when less than 12 million bu wheat traded in the pit although a commission house, presumably short July wheat, was conspicuous on the buying side and likewise seemed to be selling May wheat which narrowed the difference considerably between these two futures. We have felt for some time that if there should be a carryover of about 150 million bu on July 1, 1948 and a more moderate crop than last season that the difference was very wide but many people went on the theory that last year the May future sold at a premium of 50¢ over the new crop month but at that time everything was completely different. Considering the great strength in corn, wheat was not at all strong and it seems that the flour business is extremely dull with mills getting only a minimum of inquiries while the bookings for forward shipment are likewise poor. With no government support of consequence, either for wheat or for flour there seems to be less incentiveright now to take the constructive side of the market.

In corn the bookings from the country continue very light.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO, 4

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 18, 1947

After the close of the market last night the government issued revised figures on the production of various cereals, and while there were reductions all along the line, chief interest centered in corn and in wheat. A drop in the estimate of corn amounting to 47 million bu was large, but had been freely predicted; in fact, some people were more pessimistic in view of adverse weather which we had during July and August. A cut in the wheat yield of 42 million bu had not been expected, and it seems that since last August downward revisions have been made with losses of nearly 15 million bu in Nebraska, Kansas, Oklahoma and Texas. The crop as now estimated is still the largest on record, and including both spring and winter varieties amounts to 1,364 million bu. If we add to this the small carryover of 83 million bu, we find that total supplies last July were 1,447 million bu. It is probably safe to figure that our domestic consumption will amount to about 842 million bu, made up as follows: for bread and cereal usage 500 million bu, for seed 87 million bu, for feed 250 million bu, and for commercial purposes 5 million bu. Thus there was 605 million bu wheat for export or next carryover. If we hold down shipments to 450 million bu, then we shall have a reserve stock at the end of the season of 155 million bu, and many people believe that this may be the procedure.

On this basis it was also believed that further government purchases would be on a greatly reduced scale, and this may have been the reason that the report did not have more bullish significance. In fact, first prices for December and May wheat were only about 1 to 1 1/2¢ per bu higher even with some short covering in evidence. Likewise the spread between the May and July futures was not much influenced on the theory that even with a crop much smaller than had been figured in August, if our net exports are kept down in proportion, we would in the final analysis not reduce our reserves at the end of the season. This afternoon we shall have an estimate on winter wheat production, and in this connection the figure will compare with the ten-year average production of 653 million bu, but it seems probable that with a larger acreage, which is undoubtedly pretty well planted by now, today's forecast will be considerably larger than the normal. Of course, we have had some very optimistic reports during the last three or four years in December, and in comparison today's report may seem somewhat pessimistic, although it still looks as though we might raise a total winter and spring crop of a billion bu compared with 890 million bu, the ten-year average yield.

The government has estimated preliminarily cash receipts from farm marketings in 1947 at about $30 billion, which is 22% above last year. Total marketings of farm products did not change greatly from 1946, so that most of the increase was due to the fact that prices for all farm products were higher. In our opinion, this is largely due to the export program, and to the sustained demand at home, with consumers apparently still willing to pay present levels for virtually all foodstuffs.

Primary receipts of wheat amounted to 1,347,000 bu which compared with 1,083,000 bu last week and 1,192,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 11,000 bu.

While higher prices were reached earlier in the session, it seems that without government support and with the poor milling demand it is difficult to have sustained strength. The high margins are depriving the market of support which might otherwise come in. Furthermore it seems to be the consensus that for purposes of safety necessary steps will be taken so that even with the smaller crop we shall not have a carryover reserve at the end of the season of less than 150 million bu. Therefore, the reduction in crop yields while mitigating against the heavier export goals set earlier will not in the long run change the statistical picture. Furthermore, if shipments assume smaller proportions, it also stands to reason that the government will not have as much to buy during the early months of 1948. Should there be a heavier movement from the country we might then have somewhat lower prices.

Corn was reasonably strong early but yielded some ground in sympathy with the reaction in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 Dec. 19, 1947

After the close of the market yesterday, the Department of Agriculture forecast a winter wheat crop of 838 million bu to be harvested next summer. While this is a decrease of 228 million bu from the previous year, it is only a reduction of about 106 million bu from the amount that was predicted in December of 1946. Of course, everyone knows that estimates made this early are generally too high or too low according to future weather developments. In analyzing the report, however, we find that the condition of the crop is 76% of normal, which is precisely the same as the condition over a period of ten years, but the acreage is about 10 1/2 million greater. Consequently, the size of the crop should be vastly larger than during the ten-year period. Last year at this time we had a condition of 93%, which was very unusual. Likewise a year ago the abandonment was very low, and amounted to only 5.7%, although the winter killing over a period of ten years has been slightly over 14%, and it is now figured that because of the poor start about 15% of what was planted will not be harvested. In any case, we are now reasonably assured that under normal conditions, total wheat production next summer will be in excess of a billion bu. This is on the theory that an average spring wheat crop is harvested next summer, which would amount to 236 million bu. Here again nobody can say for sure because if we should produce as much as last summer, or 311 million bu, the total crop would amount to 1,149 million bu, which would again be a banner year exceeded only during the past two crop-seasons. As a matter of fact there have been only 5 billion bu crops previously raised in the history of the country.

With this in mind, it was not surprising that first prices were lower, although there was no particular pressure, and some people have used the reverse argument that was prepounded yesterday: namely, that if prospects appeared very bright next spring, our government might be inclined to let the carry-over reserve run to smaller proportions than the 150 million-bushel goal recently mentioned. In view of the fact that the demand from Europe is sustained at such a high level, one cannot become too bearish, although it is quite evident that the high level of margins is a factor not to be entirely ignored, and from this period forward, there may be smaller absorption should we get increased marketings from the country after the turn of the year.

The government made no forecast on rye production, although the acreage is not particularly large considering the price. The condition of the crop, however, is 86% of normal, which compares with 77% over a period of ten years, although last year, the condition was very high at 92% and still the total outturn was rather small.

Primary receipts of wheat amounted to 1,392,000 bu which compares with 946,000 bu last week, and 1,478,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 215,000 bu. When the visible supply is posted on Monday, it will compare with last year's shrinkage of more than 5 1/2 million bu.

Trade in wheat was not particularly large, and in fact, there were times when there was quite a lull in activity but on the whole a good many traders are looking at prices that prevail in other countries. Australia is now asking the equivalent of $3.46 1/2 for wheat shipments made during February and March and this is an advance of 30¢ per bushel over previous offers, and it compares with about $3.50 for Canadian wheat at the Canadian seaboard, so that our wheat, which is bringing $3.25 at the Gulf, must seem cheap in comparison. Of course, Britain is getting most of her wheat from Canada and Australia at reduced rates. Therefore, it looks as though very little would be needed from any of the other surplus countries. In the meantime, our domestic flour business is very poor. Most of the orders are of small size, although the French were scheduled to resume buying today but we have not heard of anything that has taken place. The export flour quotas for February are likely to be announced very shortly and this may bring a little impetus into the market, although the volume is not expected to be big. For the moment, there is a rather mixed sentiment, and we believe that quite a few longs have gotten out of their commitments awaiting to see what the country movement will be after the turn of the year.

Corn was down in sympathy with wheat, but there is a fairly good undertone and the receipts are not at all burdensome.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 December 22, 1947.

Despite the fact that Congress adjourned after passing an inflation bill, there is still a good deal of talk as to what shall be done about the high cost of living. It is certainly a difficult problem to tackle with business keeping up at a high pitch, and according to the forecast, industrial production will average about 188% of pre-war, and personal income in the year ending June 30th will amount to about $206 billion. In the past, inflation when we have had it, although on a minor scale, has generally run its course, and finally cracked of its own weight. However, with our money standard changed now, we shall probably stay on a relatively higher level than ever before, owing to the fact that the present dollar does not wield the same force as its predecessor. Thus far legislators have approached the inflation problem with caution, and we doubt very much whether prices will come under direct control in peacetime, particularly since wages cannot effectively be controlled. Likewise, rationing will probably not be attempted on a similar basis, and while neither inflation nor deflation is particularly popular, certainly deflation is always feared and would be a bad thing to try in an election year. This is something that the party in power probably has well in mind also.

In the meantime, blame is placed at the elbows of the other fellow, and speculation has come in for its share, although in the final analysis it must be remembered that it was likewise accused of causing low prices during the depression of 1932 and 1933. The old law of supply and demand is still respected by those who believe in our fundamental system of economics, and it is generally conceded that if we had not exported the large quantities of grain this year, it would have been a different story. Even one of the prominent men in the Department of Agriculture stated sometime back that both wheat and corn would probably be selling at $2 per bu had it not been for the heavy exports and the buying that was necessary to take care of these foreign shipments.

In addition to all other factors, we had a small corn crop, and even the last government estimate of 2.4 billion bu is considered too high by conservative and reliable people in some parts of Illinois. Even the world corn production for 1947-48 is not excessive, although is expected to amount to 4.7 billion bu, and an outturn of that size, while almost as large as 1935-39,pre-war average is about 600 million bu, or 12% smaller than the record 1946 crop. In view of the fact that we have accustomed ourselves to heavier feeding, naturally this decline will make itself felt. Corn planting is nearing completion in most of the important areas of the Southern Hemisphere, although no estimates of the acreage planted are available yet, and we presume that if there were less emphasis on holding farm prices down, there might be heavier sowings. It is significant, however, that the corn crop in Continental Europe is estimated to be about 680 million bu, or approximately pre-war average, and, therefore, it is well above last year's poor harvest, of only 400 million bu. In view of the fact that from now on virtually no corn will be shipped from North America, the strain on Europe is not too great, at least until it can be seen whether the Argentine corn later on will flow into foreign channels.

When the visible supply was posted the decrease amounted to only 158,000 bu. This leaves total stocks in all positions 114.6 million bu, or 64 1/2 million bu more than last year. Chicago stocks increased 181,000 bu, to a total of 2.8 million bu. The U. S. corn visible showed an increase of 651,000 bu, not too much for this time of year. Oats decreased 1 1/2 million bu.

After the first hour of trade markets became very weak, and we believe that this was largely due to an easier feeling that developed in December corn; with this future losing ground on the more deferred months. In fact, at the last December and May were practically selling at the same price. However, in wheat the December future maintained a good premium over May, which is not a direct reflection of what cash wheat is bringing in the various markets. In fact, we think if there had been more time there probably would have been further shipments from other points in order to make tenders on our contracts. Nevertheless, May and July wheat eased to some extent, and there does not seem to be much of a demand from mills, while recent government buying has been nil. A good many people feel that after the turn of the year country marketings will increase. Even oats, which are cheap compared to corn, sagged, and while there was no particular feature, there seemed to be some liquidation of long lines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 23, 1947.

About the only overnight news was the publication of February allocations indicating that about 37 million bu wheat, flour and oats would be shipped, and this is a slight increase over the amount permitted during January, although in the latter month some supplementary shipments have been scheduled, and possibly the same will be true in February as well. However, there were no surprises, and it looks as though most of the purchases have already been procured, so that marketwise this should have very little influence.

The Secretary of Agriculture is also carrying out the mandate in publishing long lists of names of persons who have been in the markets either for the hedging requirements or on a speculative basis.. We believe that the public will be greatly confused, as much of this information is of a technical nature, and we do not see that it is accomplishing its purpose. Houses like ours, which use the futures market to hedge their cash grain transactions, have been doing this since the beginning of time. It is the way we avoid risks by passing them on to those who have the temperament and financial ability to carry them. Without speculators in the market, it would be difficult at times to obtain this type of insurance, and there are a great many people who in our opinion have every authority under the Bill of Rights and under our Constitution to trade and to carry the hedges so long as they live up to the laws of the Exchanges and to the laws established under the Commodity Exchange Authority. Apparently what was really being sought was the names of those who had inside information, and who were either on the buying staff of the government or who knew of the operations in connection with CCC transactions to see whether there had been anything unethical or improper. Otherwise to spend millions of dollars of taxpayers' money to develop routine data in which only curious people are interested seems to be a waste of time and a waste of federal funds.

When our market opened this morning, prices were rather firm, but volume was smaller than heretofore, and nobody can be too sure of the immediate trend. Movement of corn from the country has been small and may not enlarge until after the turn of the year. Meanwhile, however, industries have been able to get their supplies without too much difficulty, and certainly the same is true of wheat because industries and processors are finding the demand for flour extremely slow, although today PMA re-entered the market and probably made some purchases which required the removal of hedges.

Weather has been given very little consideration, and the five-day outlook for the Southwest is for continued fair, with little or no precipitation in sight. Temperatures are likewise unimportant, ruling 3 to 10 degrees above the normal. Before long we shall probably need a snow covering, particularly if low temperatures occur, but at the moment there is no danger and likewise no concern.

As near as we can tell, shipments of wheat and flour to middle of December have amounted to 242 million bu. On basis of the probable clearances we still believe that a reasonable reserve will be had on July 1, 1948, even granting a 42 million-bushel reduction in this season's crop. This is all on the theory that our feeding operations will not be abnormally great, and it looks as though the figure of 250 million bu will about work out based on the disappearance for the first quarter of the season, and likewise on the present relationship between wheat and coarse grains.

Primary receipts of wheat amounted to 1,586,000 bu compared with 1,468,000 bu last week, and 1,415,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 218,000 bu.

Trade was very quiet today although at times a little selling came into the pit, but not enough to cause any disturbance. There seems to be a typical pre-Christmas market and apparently new incentives are needed before we shall have a marked trend in either direction. At the moment, two schools of thought prevail: namely, those who feel that the government will re-enter the wheat market after the turn of the year and the others who are fearful that the country selling may be sufficient to cause setbacks. For this reason, nobody seems to take a very decided stand at this time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 December 24, 1947.

Another Yuletide is at hand, and again we recall many blessings that have been bestowed upon us during the past year. It is particularly fitting that we do this because the world at large is still not completely at peace, and the food conditions in some countries are worse now than they were at any time during the war. Even with a small corn crop, our total production must be considered very satisfactory, and we have raised more wheat than was ever harvested before in the history of the country. We thought we were doing well a season earlier when we shipped 400 million bu bread grain from the United States. This was a record for all time, and was about half as much as the combined world shipments. The present plan is to clear somewhere between 450 to 500 million bu wheat, and possibly we will adhere to the lower figure owing to the fact that the last government report has shown some reduction from earlier wheat estimates. Nevertheless this figure represents a tremendous achievement, Such a quantity of wheat would be about as much as the total production of wheat in Southern Hemisphere countries, which at times are our greatest competitors. It would also be a larger quantity than was raised in Canada; likewise a tremendous feat, because ordinarily our northern neighbor furnishes more wheat to the importing world than any other nation. 500 million bu is about the amount that is needed for food and cereal uses by every man, woman, and child in this country. Therefore, to be able to export about five times as much wheat as we have averaged since 1930 is something of which we may be justly proud.

We should likewise be happy that this is one of the few times when we have had accumulations that it did not adversely affect our price structure. True enough, there are some complaints of high cost of living but yet when the national income is in excess of $200,billion, there are few who can complain, particularly when we look at the distress in other parts of the world. Had it not been for the change that we voluntarily made in our dollar, it is questionable whether the general index of prices would be anywhere near the present level. However, we must reconcile ourselves to the fact that we shall probably be permanently on a higher plane than if we had maintained the dollar value, which for a hundred years was the standard unit of exchange in this country. In looking ahead we may also feel some pride that, despite an unpropitious start, the winter wheat crop is still far above average. There are many trials and tribulations still ahead, but with average conditions it is quite likely that we may harvest another billion-bu wheat crop next summer. We have had only five such large crops in history.

Last, but not least, we are looking forward to 1948, which marks the 100th Anniversary of the founding of the Chicago Board of Trade. This institution has had much to do with the progress of agriculture. Few people realize the low handling cost of getting grain from the producer to the consumer. It is lower than the cost of moving any other standard food product. This low cost is directly related to the method of handling grain on an organized exchange, and particularly to the process of hedging on a broad open market. The grain trade's credit has been mobilized and safeguarded to a very high degree of business efficiency. Despite all the recent publicity about speculative accounts, it cannot be denied that the use of futures as a hedging instrument provides a type of price insurance which is important in the merchandising and warehousing of wheat in large quantities. Protection from risks arising from price changes make it possible to store and merchandise wheat on a narrower margin than would otherwise be possible. In looking ahead we feel that every citizen should realize the necessity of free, open, and competitive markets. If we are told that the public is prejudiced against futures trading because of "taint of gambling," the public must be educated to understand that there is no speculator in futures who does not perform an economic service. Furthermore, the public must be told that the investor performs these services cheaply and economically, and that it is only through the futures markets that manufacturers and millers can obtain the raw material at a price which enables them to compete with other countries. The only possible alternative is for governments to assume the risks and provide the finances, which in turn would mean a loss to the public instead of a gain. Certainly we cannot afford to dispense with futures markets merely because of a lack of popular understanding in the services they perform.

WE WISH YOU ALL A VERY MERRY CHRISTMAS.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 26, 1947

There was very little news over the Christmas Holiday. Some unexpected snow had fallen in parts of Illinois, but there was virtually no precipitation of consequence elsewhere. At the moment there is no crying need for further relief, although snows are always welcome in January, as at this time of year we generally have severe temperatures. Thus snow protection prevents extra heavy winter killing. The government has apparently completed its purchases of flour for the time being. Likewise CCC has not been in the market for many weeks, so that there is little support from these two sources. New buying does not appear to be coming into the market, as there is little incentive until it can be established that there will be enough support to offset increased country selling after the turn of the year.

The general character of news and statistics has not changed much, and of the four larger exporter countries only the United States and Australia produced well this season, which means that offerings from Canada and the Argentine will probably remain small for some time yet. Threats of heavier shipments from the Soviet Union have failed to materialize, and it appears again as though this would be a year when only trifling amounts would be furnished from Russian sources. It is still difficult to tell whether we shall meet the export goal set earlier, but even on the assumption that only about 520 million bu wheat, flour and grain will be exported, it still leaves about 120 million bu to be procured. While this is small in comparison with about 400 million bu that has been provided for, it is likewise a fact that it is always much simpler to take care of export requirements during the first six months of the crop season than it is in the latter half. In normal times about 70% of our wheat is exported during the first half of the season, which is likewise fortunate because later on Southern Hemisphere pressure and competition becomes important, and we generally find that the peak of the movement from Argentina and from Australia arrives in about March, but, of course, everything is entirely different at present.

Wheat acreages in this country have shown a rapid expansion since the low point in 1942. At that time our acreage had declined to 50 million, including spring and winter wheat, but it is now about 50% larger and the present goal is close to 75 million. However, without the proper price incentive in Canada we find that things have not worked out so well. Just before the outbreak of the war, their sowings amounted to 25 million acres, and in fact, during the early stages of the war, there was an increase to 28 million acres, but later on it fell back to around 17 million, and even by now has not reached the prewar total. In the Argentine acreage this year was the smallest for many years, having declined to 13 million from as much as 21 million prior to the war, and all this shows in our opinion how important the element of price is because without proper inducements, farmers are just as indifferent as any other class of worker even at a time when their produce is so essential to the hungry peoples of Europe.

Primary receipts for two days amounted to 2,614,000 bu, which compared with 1,392,000 bu last week and 1,168,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 632,000 bu. When the visible supply is posted on Monday, it will compare with a decrease last year of slightly more than 3 million bu.

Markets were rather weak early; later on there was moderate buying, but there was no particular gimp at any time. It seems that the December futures came on the blackboard today and reflected a more bearish picture of what prices would be a year hence. The general feeling is that even though we shall probably have reasonably high loan levels, unless Europe is in need of grains to the same extent as at present, possibly some declines will gradually be witnessed. Thus the deferred futures are selling at very big discounts under present quotations. To a short this is not particularly encouraging, as much of it is already discounted in the future, and for anyone to take a long-time position would mean changing over successively at gradually lower levels. It is just the reverse of what we have in years of surpluses when there are carrying charges. Flour demand was extremely light but typical of a holiday. It is thought that further weakness may bring in more business, particularly as unfilled sales are smaller than average.

Corn trade was light but no particular feature to this grain, and for the time being the short crop seems to be forgotten. Also, high prices for hogs and for cattle are being ignored.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

December 29, 1947

The President is expected to sign the Anti-Inflation Bill within a day or so, but will probably comment that he considers it only a half-way measure. Like so many other people in the country he is conscious of the fact that the cost of living is mounting, and has shown a gain of more than 60% since 1939. However, nobody seems to have the answer to curbing these advancing prices, and it will be recalled that in 1934 when we had the period of deflation, we changed the unit of money value, and apparently we are suffering at the present time from the fact that everything is on a higher level than if we had kept the dollar stable. Moreover, with the wheat crop in Western Europe about 30% below last year and their population 10% higher than it was before the war, we are again exerting every effort to export the largest quantity of wheat that has ever left these shores. From what we can observe, the government's holdings have been reduced to quite an extent, and we should not be surprised, therefore, if CCC buying would become a factor in January, possibly offsetting a heavier country movement.

This is being felt a little in markets, although first prices were lower, probably because the hog market had declined sharply, and there was some selling in corn after Saturday's short-covering. It is thought that Mr. Truman, in a speech to the Congress early in January, will try to hasten passage of the Marshall Plan, although there is a good deal of scrutinizing of commitments that are being planned three or four years hence. It is true that with certain countries in Europe, particularly France and Italy, in such desperate need of help, emergency measures were concluded with the utmost dispatch. This aid was granted liberally in order to stave off starvation and to avoid any serious social unrest. Many people, wholly sincere in their thinking have been pondering for some time over the various implications that are involved on future help. They want some assurance that the money or aid extended will be used productively for the purpose designated. They feel that any lavish handouts would in the long run only breed contempt and ill will on part of the recipients and that overly liberal charitable bequests might be poured down the drainpipe and thus not accomplish what was intended. Consequently, there may be some paring down of the program before it is finally enacted into law.

New lists continue to come from Washington reporting the long and short accounts of traders but thus far these have been worthless to our way of thinking, because there is a vast difference between legitimate speculation and trying to find out whether any men with inside knowledge had been dealing in commodities during the period involved. As we understand it, further investigations are being made to limit the information more toward the original request instead of compiling tremendous surveys disclosing alphabetical lists of every trader who had had commitments during a certain period.

When the visible supply of wheat was posted, there was a decrease amounting to 1,372,000 bu. Total stocks in all positions are 113 1/4 million bu, which is 66 1/4 million bu larger than last year. Chicago stocks increased 1,112,000 bu and there is nearly 4 million bu now in store at this market. The U.S. corn visible increased 839,000 bu which is not too much at a time when we should be building up reserves. In oats, there was a decrease of 307,000 bu. Total stocks now amount to 14 million compared with 7.8 million bu last year.

Trade was rather moderate but weakness was confined to transactions in the first hour. After that there was a slightly better undertone and apparently some lifting of hedges against flour business. In spite of rather firm markets May wheat showed no particular gimp as compared to the July future and apparently a good many people who were short the new crop position have been unspreading, which has been responsible for the recent narrowing. A premium of 28¢ for May over July is still large, but, of course, much depends on the amount of wheat that we finally carry into the next crop. At the moment, this is rather difficult to forecast.

Trade in coarse grains was also light and we presume this will continue to be the case until after the holidays.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 December 30, 1947.

While we hear a lot these days about the high cost of living and inflation, there seems to be little emphasis on the mounting cost of government. Therefore as we near the end of another year and income taxes are again a topic of conversation, we quote from a treatise by Prof. F.A. Harper, formerly of Cornell University, and now with the Foundation for Economic Education, who says in part: "The government took more than half as much as you paid private producers for all the 'goods and services' you consumed, from bread and overalls to steaks and fur coats. You were obliged to work part of the time for the government. Out of each hour you worked, the pay for 19 minutes was taken by the government. This left the pay for 41 minutes out of the hour to be spent as you liked, privately, or for saving. The situation calls to mind the concession to freedom granted to Prussian serfs, centuries ago: their masters allowed them to work for themselves two days out of each week. The amount you paid for government was more than the total income per person outside the United States. It may come as a surprise that the government took 31 cents of your dollar. If so, the explanation probably is that only about one-third of it is conspicuous as direct personal taxes, such as income taxes and property taxes. The other two-thirds is mostly in forms concealed from view, thus making it seem either that they do not exist or that someone else is paying for them. But in the final analysis, individuals must pay all the costs of government, directly or indirectly."

There was no special grain news overnight. Somewhat lower temperatures are in sight, and not much snow, but there seems to be very little concern over this development as no subzero weather is in the offing. It is generally felt, however, that it may not be long before the government has to re-enter the market either for wheat or for flour. There may have been some buying of futures in anticipation of flour sales to the government in the belief that shortly after the holidays, PMA would be back in the market. We are having very light receipts, which is typical during the period between Christmas and New Year's, although a good many observers feel that after January, movement from the country will improve. This likely will be the case, but if it is offset by federal purchases, it may be that those who are anticipating sharp declines will be disappointed.

We doubt whether there will be much pressure from the Argentine next month when ordinarily their shipments assume larger proportions. Farmers are still very much dissatisfied and are criticizing the government's agrarian policy. They state that the government is taking 95% of the profit on the wheat that is sold abroad. This means that a good deal of grain is not coming forward from farms and may be wasted. During the past six weeks shipments of wheat and flour from that country have ranged from 200,000 bu a week to as much as 2.7 million bu, although the pre-war average for this time of year was about 1 1/2 million bu. It is quite apparent that if price inducements had been present a much better job would have been accomplished. Australia will furnish 80 million bu wheat to the United Kingdom at a price recently contracted which figures about $2.74 per bu FOB. The 1948 crop, while somewhat reduced from earlier estimates, still promises to be a bumper one, and the Australian Ambassador to this country told us yesterday that recent harvest returns were highly gratifying. Probably more than 200 million bu will be threshed, which, of course, leaves a good surplus because of the comparatively small domestic utilization.

Primary receipts of wheat amounted to 2,907,000 bu compared with 1,586,000 bu last week, and 1,373,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 214,000 bu.

Trade in the various pits was not large but wheat prices were somewhat firmer on a rumor that the government might have been back in the markets both here and at Kansas City. This later was denied but the effect was that May wheat tightened slightly compared to the new crop positions and many people feel that probably after the turn of the year government activities may become more prominent.

Corn futures were not particularly strong even with higher wheat prices. We believe that this was due to weakness in the hog markets in various parts of the country.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 December 31, 1947

Another year has drawn to a close, and food has again played a most important role in a hungry world. We have launched a program for shipping more wheat abroad than has ever previously left these shores. In an average pre-war year, Europe raised about 1 1/2 billion bu wheat, but last summer's harvest was a very poor one, due largely to weather conditions, lack of machinery and fertilizer, and insufficient manpower so that only about a billion bu was procured. According to some estimates, it may have been even a smaller quantity. Fortunately, 1948 promises better yields, and possibly the harvest will bring in about 1 1/4 billion bu, in which case Europe may be less dependent upon the exporting countries. However, there have been a good many changes in Europe since the war. We are not referring to the increases in population that are taking place now, but rather to the distribution of grain and the fact that so little is being furnished by the Balkan countries and the Danube Basin, which often produced more than was required for home consumption, thus building up a reserve for other countries. Sometimes as much as 4 million tons of grain was shipped from those areas to the deficiency countries, which comprised about 15% of all that was included in the world shipments. However, in spite of some boasts that Russia would again be an important factor, we find that last year only about 4% of total exports came from this source. The balance, or 96%, was furnished by the four major surplus countries: namely, the United States, Canada, Argentina, and Australia. It appears very much as though these four nations would again have to supply the bulk of the surplus grain during the present season.

There have been only two countries which have successfully mastered the problem of raising large crops during the period of stress. These countries were the United States and Australia, and we believe that the former country, while blest by good weather, was also fortunate that high prices furnished the incentive for maintaining a very large acreage. In the Argentine and Canada relatively lower prices have created a tremendous indifference amongst farmers, and thus the exportable surpluses have diminished at a time when they were sorely needed. Canadian grain exports will undoubtedly be smaller this year than last, perhaps by about a million tons of wheat and a half million tons of barley and oats. Actually, Canada will export no barley or oats for feed this year since an export embargo of fairly inclusive character was placed on these grains last September. In the Argentine, recent shipments have been a little larger, but previously all too much grain was either wasted or burned, or else never came forward from the farms because of the dissatisfaction that existed among agrarian groups.

In Europe, there is little incentive under a planned economy to engage in research developments, for new and better things. Most of the countries are enmeshed in a network of red tape and regulations, while a swollen bureaucracy stifles or paralyzes individual initiative and productivity, as measured by American standards. Moreover, most countries are attempting to carry on extensive social reform, while struggling for survival. Many countries receiving aid from us feel that we are blest with unlimited resources, and that we should, therefore, share our wealth with them. It is the old levelling down theory on a global basis. Dollars are an essential first step in any program of European recovery, but unless the money serves as a lubricating force to help free the productive energies and resources of the participating countries, all our help will be of no avail. In the final analysis, it is the release of individual energy that is the most constructive force for the raising of living standards everywhere.

WE WISH YOU ALL A VERY HAPPY NEW YEAR!

UHLMANN GRAIN CO.